

5 CLOSED
STACKS



GOVERNMENT INFORMATION CENTER
SAN FRANCISCO PUBLIC LIBRARY

SAN FRANCISCO
PUBLIC LIBRARY

REFERENCE
BOOK

Not to be taken from the Library

C 1 2 2000

SAN FRANCISCO PUBLIC LIBRARY



3 1223 05718 2827



Digitized by the Internet Archive
in 2013

<http://archive.org/details/1calendarmeetingo1994sanf>

3F
590.07
#2
3/2/94

CALENDAR ... ACTION
BUDGET COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

DOCUMENTS DEPT.

AUG 27 1996

SAN FRANCISCO
PUBLIC LIBRARY

WEDNESDAY, MARCH 2, 1994 - 1:00 P.M.

ROOM 228, CITY HALL

PRESENT: SUPERVISORS HSIEH, ALIOTO, BIERMAN

ABSENT: SUPERVISOR ALIOTO ON ITEM #11

CLERK: MARY L. RED

CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Budget Committee, and will be acted upon by a single roll call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

- (a) File 101-91-74.5. [Reserved Funds/Park Police Station/Seismic Upgrade] Hearing requesting release of reserved funds, Department of Public Works, 1990 Earthquake Safety Bond Fund, in the amount of \$902,000, for the seismic upgrade of the Park Police Station. (Department of Public Works)

ACTION: Consideration continued to March 16.

- (b) File 101-92-60.3. [Reserved Funds, Fire Station #3 Reroofing Project] Hearing requesting release of reserved funds, Fire Department, 1992 Prop C Bond, in the amount of \$329,310, for Fire Station #3 reroofing and miscellaneous work construction contracts. (Department of Public Works)

ACTION: Amended release of reserved funds; only approved release of \$317,710. FILED.

- (c) File 101-92-60.4. [Reserved Funds, Fire Department] Hearing requesting release of reserved funds, Fire Department, 1992 Prop C Fire Improvement Bond Program, in the amount of \$304,800, for design, construction services and construction for various Fire Department facilities. (Fire Department)

ACTION: Consideration continued to March 9.

- (d) File 101-93-35.1. [Reserved Funds, Fire Department, \$170,341] Hearing requesting release of reserved funds, Fire Department, 1986 Fire Protection Bond, in the amount of \$170,341, to cover overage above ten percent of the contracted amount for the Cisterns II Project. (Fire Department)

ACTION: Release of reserved funds in the amount of \$170,341 approved. FILED.

- (e) File 23-94-1. [Waive Statute of Limitations] Resolution waiving the Statute of Limitations with respect to payment of certain warrants of the City and County of San Francisco, the sum of \$408.49 a legal obligation of the City and County of San Francisco. (Keith Klegman \$352.49, and Mark E. Holland \$56.00.) (Controller)

ACTION: RECOMMENDED.

REGULAR CALENDAR

2. File 101-89-34.13. [Release Reserved Fund/Chinatown Branch Library] Hearing requesting release of reserved funds, Public Library, in the amount of \$376,566, for Chinatown Branch Library Renovation and Expansion Project. (Also see File 101-92-10.4). (Public Library)
(Continued from 1/26/94)

ACTION: Release of reserved funds in the amount of \$376,566 approved. FILED.

3. File 101-92-10.4. [Release Reserved Funds/Chinatown Branch Library] Hearing requesting release of reserved funds, Public Library, in the amount of \$772,017, for Chinatown Branch Library Renovation and Expansion Project. (Public Library)
(Continued from 1/26/94)

ACTION: Release of reserved funds in the amount of \$772,017 approved. FILED.

4. File 28-94-1. [DPW - Spot Sewer Repairs, Various Locations] Resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to repair short sections of sewers in various locations on an emergency basis due to unforeseen sewer failures or imminent danger of failure during fiscal year 1993-94 - \$300,000. (Department of Public Works)
(Continued from 2/23)

ACTION: Hearing held. RECOMMENDED.

5. File 28-94-2. [DPW - Elmira St. Sewer Replacement] Resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to replace structurally inadequate sewer in Elmira Street between Shafter Avenue and Helena Street - \$94,400. (Department of Public Works)
(Continued from 2/23)

ACTION: Hearing held. RECOMMENDED.

6. File 28-94-3. [DPW - Third Street Sewer Replacement] Resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to replace structurally inadequate sewer in Third Street between Kirkwood Avenue and La Salle Avenue - \$152,110. (Department of Public Works)
(Continued from 2/23)

ACTION: Hearing held. Amended on page 1, line 21 by replacing "\$152,110" with "\$250,000". Same title. RECOMMENDED AS AMENDED.

7. File 28-94-4. [DPW – Washington St. Sewer Replacement] Resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to replace collapsed sewer in Washington Street between Grant Avenue and Stockton Street – \$125,275. (Department of Public Works)
(Continued from 2/23)

ACTION: Hearing held. RECOMMENDED.

8. File 28-94-5. [DPW – Vasquez Avenue Sewer Replacement] Resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to replace collapsed sewer in Vasquez Avenue between Laguna Honda Boulevard and Balceta Avenue – \$61,300. (Department of Public Works)
(Continued from 2/23)

ACTION: Hearing held. RECOMMENDED.

9. File 28-94-6. [DPW – Twenty-Fifth St. Sewer Replacement] Resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to replace structurally inadequate sewer in Twenty-Fifth Street between Fountain Street and Grand View Avenue – \$82,650. (Department of Public Works)
(Continued from 2/23)

ACTION: Hearing held. Amended on page 1, line 21 by replacing "\$82,650" with "\$120,000". Same title. RECOMMENDED AS AMENDED.

10. File 47-94-3. [Parking Rates, Seventh and Harrison Lots] Resolution approving a monthly parking rate at the Seventh and Harrison parking lot for Skellington Productions. (Also see File 47-91-4.) (Department of Parking and Traffic)
(Continued from 2/23)

ACTION: Calendared in error.

11. File 172-94-2. [Peninsula Corridor Joint Powers Board Agreement] Resolution authorizing execution of an amendment to Joint Powers Agreement between the City and County of San Francisco, the San Mateo County Transit District and the Santa Clara County Transit District to replace an appointment of the City's Public Utilities Commission as a representative of the City on the Joint Powers Board with an appointment of the Airports Commission. (Supervisor Hsieh) (Continued from 2/23)

ACTION: Consideration continued to March 16 (Supervisor Alioto absent).

12. File 174-94-4. [Local Contracting and Hiring Task Force, Create] Resolution creating a Local Contracting And Hiring Task Force to investigate how the City can respond most effectively to the awarding of construction contracts to out-of-city and out-of-state contractors; the task force shall complete its work and report to the Board of Supervisors by November 1, 1994. (Supervisors Alioto, Kennedy, Leal, Bierman)

ACTION: Hearing held. Amendment of the Whole reflecting amendments made by Supervisor Alioto, RECOMMENDED AS AMENDED. Same title.
(Supervisor Bierman added as cosponsor).

13. File 101-93-84. [Appropriation, Mayor's Office of Children, Youth] Ordinance appropriating \$228,233, Mayor's Office of Children, Youth & Their Families, from the Children's Funds, for professional services contracts with community based agencies for fiscal year 1993-94. (Supervisor Alioto)

ACTION: RECOMMENDED. (Supervisor Alioto added as sponsor)

14. File 101-90-86.4. [Reserved Funds, Police Stables, Golden Gate Park] Hearing requesting release of reserved funds, Police Department, in the amount of \$245,000, for Golden Gate Park Police stables. (Police Department)

ACTION: Consideration continued to March 16.

15. File 101-91-75.2. [Reserved Funds, Police Department, Stables] Hearing requesting release of reserved funds, Police Department, in the amount of \$450,000, for the remodelling of Park Station Police stables. (Police Department)

ACTION: Consideration continued to March 16.

16. File 207-94-3. [Police Facilities, Work Authorization] Resolution authorizing work for the remodeling of Park Police Station and Golden Gate Park Police Stables. (Supervisor Alioto)

ACTION: Consideration continued to March 16. (Supervisor Alioto added as sponsor).

17. File 127-93-13.3. [Small Business Tax Exemption] Ordinance amending Part III, Municipal Code, by amending Sections 905-A, 1005.3 and 903.1 to increase the qualifying maximum for the small business exemption, to eliminate payroll expense tax rates for smaller businesses exempted from payroll tax liability by this ordinance and repealing Sections 905-B and 1005.3-1 regarding 1993 tax year liability for smaller businesses exempted from tax liability by this ordinance. (Supervisors Conroy, Kaufman, Maher, Alioto, Kennedy)

ACTION: Hearing held. Amendment of the Whole (as presented by Supervisor Conroy) adopted. New title: "Ordinance amending Part III of the San Francisco Municipal Code by amending Sections 905-A and 1005.3 to increase the qualifying maximum for the small business exemption for the 1995 tax year, amending Section 903.1 to eliminate payroll expense tax rates for smaller businesses exempted from payroll tax liability by this ordinance for the 1995 tax year and thereafter, and amending Sections 905-B and 1005.3-1 regarding 1993 and 1994 tax year liability for smaller businesses thereafter exempted from tax liability by this ordinance."
CONSIDERATION CONTINUED TO APRIL 6.

18. File 100-94-2. [Tax Relief, Small Business] Resolution urging the Mayor to prepare fiscal year budget 1994-1995 to reflect revenues adjusted for the restoration of the \$2,500 threshold for the payment of the payroll/gross receipts tax. (Supervisors Conroy, Kaufman, Maher, Alioto, Kennedy)

ACTION: Hearing held. CONSIDERATION CONTINUED TO APRIL 6.

19. File 101-93-76. [Appropriation, 911 Capital Improvement Project] Ordinance appropriating \$1,500,000 from Fire Department Bond Fund for 911 Capital Improvement Project. (Supervisors Maher, Alioto)

ACTION: Hearing held. Amendment of the Whole (as presented by Controller) adopted. New title: "Ordinance appropriating \$1,500,000 for 911 capital improvement project and rescinding two capital improvement projects (1001 Turk Street) at the Fire Department for Fiscal Year 1993-1994."
RECOMMENDED AS AMENDED. (Supervisor Alioto added as cosponsor)

20. File 165-94-4. [Management Audit, Tax Collector] Motion directing the Budget Analyst to conduct a comprehensive management audit of the Tax Collector's Office. (Supervisor Hsieh)

ACTION: Hearing held. TABLED. (Supervisor Hsieh dissenting).



BOARD OF SUPERVISORS

BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

February 28, 1994

TO: Budget Committee
FROM: Budget Analyst
SUBJECT: March 2, 1994 Budget Committee Meeting

Item 1a - File 101-91-74.5

Departments: Department of Public Works (DPW)
Police Department

Item: Release of reserved funds for the Park Police Station Seismic Upgrade

Amount: \$902,000

Source of Funds: 1990 Earthquake Safety Program Bond Funds

Description: The Board of Supervisors previously approved the Earthquake Safety Program Phase II, Series 1992 C bond sale appropriation request in the amount of \$58,860,000 (File 101-91-74) and, at the same time, placed \$45,778,418 of the \$58,860,000 on reserve for professional and construction services at various facilities. Of the \$45,778,418 which was placed on reserve, \$3,738,049 was earmarked for the Music Concourse Project in Golden Gate Park.

The DPW reports that unanticipated savings in the amount of approximately \$1 million have been realized on the cost of construction on the Music Concourse Project. The construction work on the Music Concourse Project is in process and is expected to be completed by July of 1994. As such, the DPW is proposing to use \$902,000 of the \$3,738,049 originally

Memo to Budget Committee
March 2, 1994 Budget Committee Meeting

earmarked for the Music Concourse Project to fund the major portion of the cost for the Park Police Station Seismic Upgrade Project. This Project was previously allocated \$123,000 in Earthquake Safety Program Bond Funds, which is \$902,000 less than the total estimated cost of \$1,025,000 for the Project. The DPW is proposing to expend the requested \$902,000 as follows:

Asbestos and Lead Paint Abatement (contract)	\$42,500
Construction Contract	670,000
Construction Contingency (10 %)	67,500
Construction Management (DPW)	100,000
Architectural/Engineering Services (DPW)	<u>22,000</u>
Total	\$902,000

Comments:

1. Mr. Gary Hoy of the DPW, Bureau of Architecture reports that the subject construction project was combined with two other projects at the Park Police Station (see Items 14 and 15, - Files 101-90-86.4 and 101-91-75.2 of this report) into a single Invitation for Bids. The low bidder on the solicitation, Zollman Construction Company, Inc. has requested that its bid be withdrawn. Zollman's bid of \$1,420,000 for the three projects was approximately \$377,000 lower than the next lowest bidder. Mr. Hoy states that DPW has been in the process of awarding the contract to Zollman Construction Company, Inc., but that the Department must await Zollman's decision of whether to perform or to forfeit its bid bond of approximately \$142,000.

2. Mr. Hoy reports that DPW is requesting that the subject item be continued for two weeks, to the March 16, 1994 meeting of the Budget Committee.

Recommendation: Continue the proposed item to the March 16, 1994 meeting of the Budget Committee, as requested by the DPW.

Item 1b - File 101-92-60.3

Departments: Fire Department
Department of Public Works

Item: Release of reserved funds for reroofing contracts for Fire Stations 3, 5, 6, 16, 22 and 26

Amount: \$329,310

Source of Funds: 1992 Fire Protection Bonds (Series 1993D)

Description: The Board of Supervisors previously approved a \$15,307,533 supplemental appropriation ordinance (File 101-92-60) to appropriate the proceeds of the Series 1993D issue of the 1992 Fire Protection Bonds. Of the \$15,307,533 appropriated, a total of \$10,408,825 was reserved for construction costs for seismic strengthening, asbestos abatement, disabled access and separate (male/female) restrooms at 16 Fire Stations and four other Fire Department facilities pending selection of the construction contractors and determination of cost details and MBE/WBE status of the contractors. The Board of Supervisors previously released a total of \$2,063,800 including \$2,010,000 for the acquisition of a building at 1415 Evans Avenue for the Bureau of Equipment (File 101-92-60.1) and \$53,800 for the emergency replacement of the apparatus door at Fire Station 13 (File 101-92-60.2).

The Fire Department requests the release of a total of \$329,310 for reroofing construction and asbestos abatement for six Fire Stations. The reroofing construction will be performed by an outside roofing construction contractor and the asbestos abatement will be performed by the Department of Public Works. The Department of Public Works grouped the reroofing construction work for the six Fire Stations into two projects of three Fire Stations each. Fire Stations 3, 5 and 6 comprise one project and Fire Stations 16, 22 and 26 comprise the second project.

Estimated reroofing construction and asbestos abatement costs
for the six Fire Stations are as follows:

Fire Station 3 (1067 Post Street)

Reroofing Construction	\$29,150	
Asbestos Abatement (DPW)	14,386	
Construction Contingency (10.3%)	4,500	
Construction Management	7,200	
Project Contingency	<u>6,264</u>	
Total Fire Station 3		\$61,500

Fire Station 5 (1301 Turk Street)

Reroofing Construction	\$38,259	
Asbestos Abatement (DPW)	13,173	
Construction Contingency (10.9%)	5,618	
Construction Management	<u>8,200</u>	
Total Fire Station 5		65,250

Fire Station 6 (136 Sanchez Street)

Reroofing Construction	\$40,991	
Asbestos Abatement (DPW)	8,665	
Construction Contingency (10.3%)	5,100	
Construction Management	<u>6,494</u>	
Total Fire Station 6		61,250

Fire Station 16 (2251 Greenwich)

Reroofing Construction	\$36,475	
Asbestos Abatement (DPW)	4,940	
Construction Contingency (10.1%)	4,200	
Construction Management	<u>4,485</u>	
Total Fire Station 16		50,100

Fire Station 22 (1290 16th Avenue)

Reroofing Construction	\$24,455	
Asbestos Abatement (DPW)	9,700	
Construction Contingency (10.2%)	3,500	
Construction Management	5,600	
Project Contingency	<u>4,970</u>	
Total Fire Station 22		48,225

Fire Station 26 (80 Digby Avenue)

Reroofing Construction	\$27,770	
Asbestos Abatement (DPW)	6,390	
Construction Contingency (10.2%)	3,500	
Construction Management	<u>5,325</u>	
Total Fire Station 26		<u>42,985</u>

Total Requested Release of Reserve		\$329,310
------------------------------------	--	-----------

BOARD OF SUPERVISORS
BUDGET ANALYST

Mr. Peter Wong of the Department of Public Works reports that six bidder packages were picked-up by prospective bidders and that only one bidder actually submitted a bid for each of the two project contracts. The same bidder, Pioneer Roofing Organization of San Francisco, submitted the single bid for both of the reroofing projects. According to Mr. Wong, Pioneer Roofing Organization is a Minority Business Enterprise (MBE).

Comment:

Mr. Wong indicates that the requested release of reserve for Project Contingencies of \$6,264 for Fire Station 3 and \$4,970 for Fire Station 22 are based on monies reserved from the same supplemental appropriation but for a different purpose, Facilities Condition Monitoring (FCM) capital improvements. Facilities Condition Monitoring capital improvements are various, unspecified capital improvements at 27 Fire Stations and four other Fire Department facilities. The \$379,300 total estimated cost of the FCM capital improvements was determined by a formula and not as a total of estimates of the actual, individual capital improvements to be made. Because the actual FCM capital improvements to be made and estimates of actual costs were not known when the supplemental appropriation was approved, the \$379,300 for FCM capital improvements was reserved pending determination of the actual capital improvements and cost details of those capital improvements.

The \$379,300 reserved for FCM capital improvements included \$5,500 for Fire Station 3 and \$6,100 for Fire Station 22. The requested release of reserve for Fire Station 3 should be reduced by \$5,500 (the FCM reserve) from a total of \$61,500 to \$56,000 (the \$6,264 Project Contingency should be reduced by \$5,500 to \$764). Also, the requested release of reserve for Fire Station 22 should be reduced by \$6,100 (the FCM reserve) from a total of \$48,225 to \$42,125 (the \$4,970 Project Contingency should be deleted entirely and the Construction Contingency should be reduced by \$1,130 from \$3,500 to \$2,370, a total reduction of \$6,100). As a result of these two reductions related to FCM monies, the total \$329,310 requested release of reserve would be reduced by \$11,600 (\$5,500 plus \$6,100) to \$317,710.

Recommendation: Release reserved funds in the amount of \$317,710 (requested total release of \$329,310 less \$5,500 appropriated and reserved for FCM capital improvements at Fire Station 3 and less \$6,100 appropriated and reserved for FCM capital improvements at Fire Station 22, as described in the Comment, above).

Item 1c - File 101-92-60.4

Departments: Fire Department
Department of Public Works

Item: Release of reserved funds for capital improvements at 22 Fire Stations and three other Fire Department facilities

Amount: \$304,800

Source of Funds: 1992 Fire Protection Bonds (Series 1993D)

Description: The Board of Supervisors previously approved a \$15,307,533 supplemental appropriation ordinance (File 101-92-60) to appropriate the proceeds of the Series 1993D issue of the 1992 Fire Protection Bond. Of the \$15,307,533 appropriated, a total of \$379,300 was reserved for capital improvements at 27 Fire Stations and four other Fire Department facilities pending selection of the actual capital improvements to be made and determination of the costs of those improvements.

The Fire Department requests the release of a total of \$304,800 for capital improvements to 22 Fire Stations and three other Fire Department facilities to be performed by the Department of Public Works, Bureau of Building Repair.

Comment: The Department of Public Works requests that this item be continued for one week in order to reanalyze the cost estimates for the capital improvement projects that would be funded.

Recommendation: Continue this request for release of reserve for one week to the March 9, 1994 Budget Committee meeting, as requested by the Department of Public Works.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 1d - File 101-93-35.1

Departments: Fire Department
Department of Public Works

Item: Release of reserved funds for a capital improvement project to cover an overage above ten percent of the contracted amount pursuant to provisions of Charter Section 7.203.

Amount: \$170,341

Source of Funds: 1986 Fire Protection Bond funds previously appropriated to the Cisterns II capital improvement project

Description: The Board of Supervisors previously approved a supplemental appropriation ordinance (File 101-93-35) for \$170,341 to cover an expenditure of more than ten percent above the budgeted contract amount for a capital improvement project, pursuant to Charter Section 7.203. Charter Section 7.203 requires authorization of the Board of Supervisors by supplemental appropriation ordinance when the amount of a contract is increased by more than ten percent of the original contract amount.

The Cisterns II Project consists of constructing eight cisterns (underground tanks for storing water) in the Richmond, Sunset and Marina Districts. The Cisterns II Project required an additional cost for the removal of bay mud that was unexpectedly discovered at the depth that the foundation for the cistern was to be constructed. The plans for construction of the cistern at North Point Street did not anticipate the bay mud which had to be removed before the foundation for the cistern could be constructed. The additional work to remove the bay mud resulted in an increase in the total cost of the construction contract for the cistern at North Point Street greater than ten percent.

The previously approved supplemental appropriation authorized the ten percent overage in accordance with Charter Section 7.203. However, the funds used as the source for the previously approved supplemental appropriation had been placed on reserve when they were originally appropriated for the Cisterns II Project (File 101-90-84) and the supplemental appropriation ordinance pursuant to Charter Section 7.203 did not request release of the original reserve. Therefore, although the Board of Supervisors has approved the ten percent overage for the North Point Street cistern contract and has approved the appropriation of the additional funding needed, the actual

BOARD OF SUPERVISORS
BUDGET ANALYST

transfer of the additional funds cannot be made until the reserve on the source of funds is released.

Comment: The amount of the overage above ten percent of the original North Point Street cistern contract amount is as follows:

Original North Point Street Cistern Contract \$1,992,405

Contract Modification For Removal Of Bay
Mud (\$369,581 divided by \$1,992,405
reflects 18.5 percent increase in original
contract amount) 369,581

Revised North Point Street Cistern Contract \$2,361,986

Less Previously Appropriated Funding For
The North Point Street Cistern Contract:

Construction Contract \$1,992,405
Construction Contingency (10%) 199,240

Total Appropriated Funding 2,191,645

Excess of Revised Contract Over Previously
Appropriated Funding \$170,341

Recommendation: Release the requested reserve.

Item 1e - File 23-94-1

Department: Controller's Office

Item: Resolution waiving the statute of limitations with respect to payment of certain warrants of the City and County of San Francisco, in the sum of \$408.49, a legal obligation of the City and County of San Francisco.

Description: According to Section 10.182 of the San Francisco Administrative Code, a warrant issued by the City and County of San Francisco becomes void one year from the date issued. The payee of the warrant may present the warrant to the Controller for payment up to three years from the date that it was rendered invalid, or four years from the original issue date. After that point, the Controller may no longer pay such a warrant because the statute of limitations has expired, unless approval is obtained from the Board of Supervisors.

The proposed resolution would waive the statute of limitations and would authorize the Controller's Office to replace a) a warrant #300652 issued to Mr. Keith Klegman (who was an employee of the District Attorney's Office), on June 3, 1980, in the amount of \$352.49, and b) a warrant #550-2486822 issued to Mr. Mark Holland (who was a temporary poll worker for the Registrar of Voters), on June 20, 1988, in the amount of \$56.00, for a total of \$408.49.

Comments: 1. According to Mr. Onarado Layug of the Controller's Office, Warrant #300652 was issued to Mr. Klegman by the District Attorney's Office. Mr. Layug advises that Mr. Klegman misplaced this warrant, which has never been cashed and has been canceled by the Controller's Office. The District Attorney's Office has sufficient funds to pay the new warrant, which would be reissued by the Controller's Office, according to Mr. Layug.

2. According to Mr. Layug, Warrant #550-2486822 was issued to Mr. Holland by the Registrar of Voters. Mr. Layug advises that Mr. Holland misplaced this warrant, which has never been cashed and has been canceled by the Controller's Office. The Registrar of Voters has sufficient funds to pay the new warrant, which would be reissued by the Controller's Office, according to Mr. Layug.

Recommendation: Approve the proposed resolution.

BOARD OF SUPERVISORS
BUDGET ANALYST

Items 2 and 3 - Files 101-89-34.13 and 101-92-10.4

Note: These items were continued from the Budget Committee meeting on January 26, 1994.

Department: Public Library

Items: Item 2, File 101-89-34.13 - Release of reserved funds, in the amount of \$376,566, for the Chinatown Branch Library Renovation and Expansion Project.

Item 3, File 101-92-10.4 - Release of reserved funds, in the amount of \$772,017, for the Chinatown Branch Library Renovation and Expansion Project.

Amount: \$376,566 - 1988 Public Facilities System Improvement Bonds
772,017 - 1988 Public Facilities System Improvement Bonds
\$1,148,583 Total

Source of Funds: 1988 Public Facilities System Improvement Bonds

Description: In October of 1989, the Board of Supervisors approved a supplemental appropriation ordinance (File 101-89-34) to appropriate \$11,366,423 in 1988 Library Improvement Bond funds to the Public Library. Of that amount, \$3,940,277 was reserved pending (1) submission to the Budget Committee of detailed information on the level and type of services to be provided by the Bureau of Architecture (\$175,000), (2) issuance of a Request for Proposals (RFP) for the outside consultant project manager for the new Main Library (\$45,000), (3) details of miscellaneous project services (\$428,807), and (4) details of Branch Library improvements (\$3,263,255) and miscellaneous costs (\$28,215). The Budget Committee has subsequently released reserves totaling \$2,114,727, leaving a balance on reserve of \$1,825,550. The Library is now requesting that \$376,566 be released from reserve for renovation of the Chinatown Branch Library.

In December of 1992, the Board of Supervisors approved two supplemental appropriation ordinances (Files 101-92-10.1, 101-92-10.2) to appropriate \$89,413,545 in 1988 Library Improvement Bond funds plus a gift from the Library Foundation of San Francisco totaling \$9,614,568 (File 138-92-27) for an overall total of \$99,028,113 for capital improvement projects for the new Main Library and the Branch Libraries. Of the \$99,028,113, a total of \$6,172,083, including \$772,017 for renovation of the Branch Libraries, was placed on reserve pending contract and budget details. The Budget Committee has subsequently released reserves

BOARD OF SUPERVISORS
BUDGET ANALYST

totaling \$3,044,499 leaving a balance on reserve of \$3,127,584. The Library is now requesting that the \$772,017 be released from reserve for the renovation of the Chinatown Branch Library. The \$772,017 plus the \$376,566 noted above would bring the total amount requested for release from reserve for this renovation project to \$1,148,583. The renovation of the Chinatown Branch Library will include seismic upgrade, handicapped accessibility and a building addition which will provide expanded public space and expanded room to house the Chinatown Branch Library's collections.

Mr. Russ Abel of the Department of Public Works (DPW), Bureau of Architecture reports that the Department received three bids in response to its Request for Bids for the provision of construction work on the Chinatown Branch Library. Mr. Abel advises that CICO - JOO, a Joint Venture Partnership, was selected as the lowest responsible bidder based on its bid of \$3,164,862. Mr. Abel reports that T. E. JOO, is the minority partner in the Joint Venture Partnership of CICO - JOO. T. E. JOO is an MBE firm. According to Mr. Abel, the second lowest bidder, Nibi/Tom, a Joint Venture Partnership, bid \$3,305,947 and the third lowest bidder, Transworld Construction Inc. bid \$3,463,749. Nibi/Tom and Transworld Construction Inc. are both MBE firms.

The proposed release of reserved funds in the amount of \$1,148,583, would be used to pay for a portion of the \$3,164,862 contract with CICO - JOO, leaving a remaining balance of \$2,016,279 (\$3,164,862 minus \$1,148,583). According to Mr. Abel, the balance of \$2,016,279 would be paid for by prior interest earned on Public Library Improvement Bonds, which has already been appropriated.

Comments:

1. According to Mr. Abel, T.E. JOO's share of the above-noted \$3,164,862 contract is \$1,614,080 or 51 percent.
2. Mr. Abel advises that this project is scheduled to commence in March of 1994 and is expected to be completed by July of 1995.

Recommendation: Approve the proposed release of reserved funds totaling \$1,148,583.

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Budget Committee
March 2, 1994 Budget Committee Meeting

Items 4, 5, 6, 7, 8 and 9 - Files 28-94-1, 28-94-2, 28-94-3, 28-94-4, 28-94-5 and 28-94-6

Note: These items were continued from the Budget Committee meeting on February 23, 1994.

Department: Department of Public Works (DPW)

Items: Item 4, File 28-94-1 - Resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to repair short sections of sewers in various locations on an emergency basis due to unforeseen sewer failures or imminent danger of sewer failures, in the amount of \$300,000.

Item 5, File 28-94-2 - Resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to replace a structurally inadequate sewer in Elmira Street between Shafter Avenue and Helena Street, in the amount of \$94,400.

Item 6, File 28-94-3 - Resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to replace a structurally inadequate sewer in Third Street between Kirkwood Avenue and La Salle Avenue, in the amount of \$152,110.

Item 7, File 28-94-4 - Resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to replace a collapsed sewer in Washington Street between Grant Avenue and Stockton Street, in the amount of \$125,275.

Item 8, File 28-94-5 - Resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to replace a collapsed sewer in Vasquez Avenue between Laguna Honda Boulevard and Balceta Avenue, in the amount of \$61,300.

Item 9, File 28-94-6 - Resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to replace a structurally inadequate sewer in Twenty-Fifth Street between

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Budget Committee
March 2, 1994 Budget Committee Meeting

Fountain Street and Grand View Avenue, in the amount of \$82,650.

Estimated Amount: \$300,000 - File 28-94-1
94,400 - File 28-94-2
152,110 - File 28-94-3
125,275 - File 28-94-4
61,300 - File 28-94-5
82,650 - File 28-94-6
\$815,735 Total

Source of Funds: Sewer Service Charge - Repair and Replacement Fund and Sewer Repair Budget

Description: **Item 4, File 28-94-1 (Estimated cost of \$300,000)** - The DPW reports that the Bureau of Street and Sewer Repair is continually discovering short broken sections of sewer pipe located in various streets. According to the DPW, the problems associated with these broken sewer pipes manifest themselves as blockages to the sewer system, which cause backup of sewage into private properties and as depressions or collapses of the street pavement, which create hazards to the public.

The Bureau of Street and Sewer Repair recently determined that there were short sections of broken sewer pipes at approximately 50 separate locations and declared that emergencies existed due to these damaged sewer pipes. In accordance with Section 6.30 of the Administrative Code, the DPW initiated expedited contracting procedures to acquire contractors to repair the damaged sewers. The DPW selected Stacy & Witbeck, Inc./Mendelian Construction Inc. a Joint Venture, A. Ruiz Construction Co. and Associates Inc., and Pan-Marine Constructors, Inc. to do the necessary work. A. Ruiz Construction Company and Associates Inc. is an MBE firm. Mendelian Construction Inc. of the Joint Venture Partnership of Stacy & Witbeck/Mendelian Construction Inc. is an MBE firm and Pan-Marine Constructors, Inc. is a WBE firm.

The construction work consists of replacing short sections of damaged sewer pipe with new pipe at the various locations. The DPW advises that the work on these damaged sewer pipes is expected to be completed by or before June 30, 1994.

Item 5, File 28-94-2 (Estimated cost of \$94,400) - The DPW advises that on December 3, 1993, the Bureau of Street and Sewer Repair notified the City Engineer that an existing 12-inch diameter sewer pipe had cracks and was crushed in several locations in Elmira Street between Shafter Avenue and

BOARD OF SUPERVISORS
BUDGET ANALYST

Helena Street. According to the DPW, the damage to the pipe had created a blockage which was causing sewage to backup at properties located on Elmira Street. On December 29, 1993, the DPW declared that an emergency existed due to the sewage backup.

In accordance with Section 6.30 of the Administrative Code, the DPW initiated an expedited contracting procedure to acquire a contractor to repair the sewer pipe. The DPW selected the firm of E. Mitchell Construction to repair the sewer pipe. E. Mitchell Construction is not an MBE or a WBE firm.

The DPW advises that the repair work, which consisted of replacing 260 feet of 12-inch pipe with 260 feet of 24-inch pipe, was completed on February 4, 1994. DPW states that the 24-inch pipe was used instead of the original 12-inch pipe because a hydraulic study adequacy report showed that a larger diameter pipe was needed to adequately handle the flow of sewage. The DPW advises that the contractor's billing for this project has not, as yet, been finalized. As such, as of the writing of this report, the actual total cost of this project is not known.

Item 6, File 28-94-3 (Estimated cost of \$152,110) - The DPW reports that on December 2, 1993 the Bureau of Street and Sewer Repair notified the City Engineer that as a result of heavy rains, an 18-inch diameter sewer pipe had sustained cracks and had collapsed in several sections in Third Street between Kirkwood Avenue and La Salle Avenue. On January 26, 1994, the DPW declared that an emergency existed as a result of the damaged pipe.

In accordance with Section 6.30 of the Administrative Code, the DPW initiated an expedited contracting procedure to acquire a contractor to repair the sewer pipe. The DPW selected the firm of Uniacke Construction to repair the sewer pipe. Uniacke Construction is not an MBE or a WBE firm.

According to the DPW, the repair work on this damaged sewer pipe is in process and is expected to be completed by March 2, 1994. The repair work consists of replacing 293 feet of the existing 18-inch pipe with 293 feet of 48-inch pipe. The DPW advises that 48-inch pipe is required based on a hydraulic study adequacy report, which showed a larger diameter pipe was needed to adequately handle the flow of sewage. The DPW now estimates that the cost to repair this sewer pipe will total approximately \$250,000 or \$97,890 more than the original estimated amount of \$152,110. As such, the proposed

legislation should be amended to delete the amount of \$152,110 and add \$250,000 instead.

Item 7, File 28-94-4 (Estimated cost of \$125,275) - The DPW advises that on December 15, 1993, the Bureau of Street and Sewer Repair notified the City Engineer that an existing 3-ft. by 5-ft. brick sewer had sustained structural damage in Washington Street between Grant Avenue and Stockton Street. This damage resulted in a blockage of sewage at the sewer's downstream manhole caused by the loose bricks. On December 22, 1993, the DPW declared that an emergency existed as a result of the blockage of sewage.

In accordance with Section 6.30 of the Administrative Code, the DPW initiated an expedited contracting procedure to acquire a contractor to repair the damaged sewer. The DPW selected D'Arcy and Harty Construction to repair the sewer. D'Arcy and Harty Construction is not an MBE or a WBE firm.

According to the DPW, the repair work on this sewer, which consisted of replacing 310 feet of the existing brick sewer with 310 feet of 15-inch diameter pipe, was completed on January 27, 1994. The DPW advises that the contractor's billing for this project has not, as yet, been finalized. As such, as of the writing of this report, the actual cost of this project is not known.

Item 8, File 28-94-5 (Estimated cost of \$61,300) - The DPW advises that on October 28, 1993, the Bureau of Street and Sewer Repair notified the City Engineer that a 15-inch sewer pipe had collapsed in several locations in Vasquez Avenue between Laguna Honda Boulevard and Balceta Avenue. On November 12, 1993, the DPW declared that an emergency existed due to the collapsed sewer pipe.

In accordance with Section 6.30 of the Administrative Code, the DPW initiated an expedited contracting procedure to acquire a contractor to repair the collapsed sewer. The DPW selected McNamara and Smallman Construction to perform the necessary repair work on the sewer pipe. McNamara and Smallman Construction is not an MBE or a WBE firm.

According to the DPW, the repair work on this sewer, which consisted of replacing 130 feet of existing 15-inch pipe with 130 feet of 21-inch pipe, was completed on December 21, 1993. The DPW advises that the 21-inch pipe was used instead of the original 15-inch pipe based on an hydraulic study adequacy report, which showed a larger diameter pipe was required to adequately handle the flow of sewage. The DPW advises, that

the contractor's billing for this project has not, as yet, been finalized. As such, as of the writing of this report, the actual cost of this project is not known.

Item 9, File 28-94-6 (Estimated cost of \$82,650) - The DPW reports that on December 10, 1993, the Bureau of Street and Sewer Repair notified the City Engineer that a 15-inch diameter sewer pipe had sustained cracks and was crushed in various locations in 25th Street between Fountain Street and Grand View Avenue. On December 24, 1993, the DPW declared that an emergency existed due to the damaged sewer.

In accordance with Section 6.30 of the Administrative Code, the DPW initiated an expedited contracting procedure to acquire a contractor to repair the sewer pipe. The DPW selected D'Arcy and Harty Construction to perform the necessary repair work on the sewer pipe. As previously reported, D'Arcy and Harty Construction is not an MBE or a WBE firm.

According to the DPW, the repair work on this sewer, which consisted of replacing 310 feet of the damaged 15-inch pipe with new 15 inch pipe, was completed on January 3, 1994. The DPW reports that the contractor's billing for this project has not, as yet, been finalized. As such, as of the writing of this report, the actual total cost of this project is not known.

Comments:

1. Mr. Robert Hesse of the DPW, Financial Management and Administration Division, advises that the Sewer Service Charge (Replacement and Repair Fund) revenues in the amount of \$7,388,000, which is the source of funding for all of these emergency sewer pipe repairs except for the repairs included in Item 4, File 28-94-1 of this report, have been previously appropriated and set aside for the purpose of funding such emergency sewer repair work and other non-emergency sewer replacement and repair work. Mr. Richard Cunningham of the DPW advises that the Sewer Service Charge (Sewer Repair Budget) in the amount of approximately \$600,000, which is the source of funding for the emergency sewer repairs included in Item 4, File 28-94-1, have been previously appropriated for the purpose of funding such emergency sewer work.

2. As noted above, the DPW advises that the cost to repair the sewer pipe in several sections in Third Street between Kirkwood Avenue and La Salle Avenue (Item 6, File 28-94-3) is now estimated to be \$250,000 or \$97,890 more than the original estimated amount of \$152,110. Therefore, the

Memo to Budget Committee
March 2, 1994 Budget Committee Meeting

proposed legislation should be amended to delete the amount of \$152,110 and add \$250,000 instead.

3. According to Mr. John Cribbs, Director of the DPW, expedited contract procedures were used by the DPW instead of the Department's formal advertised bidding procedures, because these repairs had to be performed on an emergency basis in order to protect the health, welfare and property of the citizens of San Francisco.

Recommendations: 1. Amend the proposed resolution (Item 6, File 28-94-3) to delete the amount of \$152,110 and add \$250,000 instead and approve the proposed resolution, as amended.

2. Approve all of the other resolutions included in this report.

Item 11 - File 172-94-2

Note: This item was continued at the February 23, 1994 Budget Committee meeting.

Item: Resolution authorizing the execution of an amendment to the Joint Powers Agreement between the City and County of San Francisco, the San Mateo County Transit District and the Santa Clara County Transit District to replace an appointed member of the City's Public Utilities Commission (PUC) as a representative of the City on the Joint Powers Board with an appointed member of the Airports Commission.

Description: On August 20, 1991 the City entered into a Joint Powers Agreement (JPA) with the San Mateo County Transit District (SamTrans) and the Santa Clara County Transit District regarding the Peninsula Corridor Project. The Peninsula Corridor Project involves the CalTrain route that currently extends from Gilroy to San Francisco. At that time a JPA Board was established as the eventual successor to the California Department of Transportation (Caltrans) to oversee the CalTrain operator, which is currently Amtrak.

The JPA Board consists of nine members, three of which represent the City and County of San Francisco. One member is an appointment of the Mayor, one is an appointment of the Board of Supervisors and one is an appointment of the PUC.

The proposed resolution would amend the JPA to replace the City's PUC representative with a member of the Airports Commission. According to the proposed resolution, the Airport, through its Master Plan, is working with Peninsula agencies and jurisdictions on the development of intercounty transportation and traffic mitigation systems. Proposition M, which the electorate approved in November of 1993, authorized the creation of a Department of Transportation to which Muni would be transferred from the PUC. Thus, according to the proposed resolution, the City's PUC representative to the JPA Board should be replaced with a member of the Airports Commission.

Comments: 1. Approximately 40 percent of CalTrain's operating costs are recovered through fares resulting in a 60 percent annual operating deficit. The annual Federal subsidy is subtracted from the 60 percent deficit. The balance, after subtracting the Federal subsidy, is borne by the counties of San Francisco, San Mateo and Santa Clara based on their respective riderships. San Francisco's share is 10.2 percent, San Mateo's share is 51 percent and Santa Clara's share is 38.8 percent.

BOARD OF SUPERVISORS
BUDGET ANALYST

In FY 1993-94, San Francisco's share of CalTrain's operating costs was approximately \$2.2 million. According to Ms. Kathleen Kelly of the PUC, for FY 1993-94, the City budgeted \$947,000 from General Fund monies, all of which comes from Muni's budget, as its share of CalTrain's operating costs. Ms. Kelly notes that the City needs to appropriate the remaining \$1,253,000 through a supplemental appropriation to make up the FY 1993-94 shortfall.

Ms. Kelly advises that it is unclear whether replacing the City's PUC representative to the JPA Board with a member of the Airports Commission would also transfer the City's share of CalTrain's operating costs to the Airport's budget.

2. On February 22, 1994, the PUC approved a resolution urging the Mayor to execute on behalf of the City and County of San Francisco an amendment to the JPA governing the Peninsula Corridor Project to replace the City's PUC representative with a member of the Airports Commission. According to the PUC resolution, with the implementation of Proposition M, the JPA must be amended because the PUC will no longer be concerned with transportation matters.

3. This item was continued at the February 23, 1994 Budget Committee meeting in order for the City Attorney's Office to determine whether the City's share of CalTrain's operating costs could be funded by the Airport. Ms. Kathryn Pennypacker of the City Attorney's Office reports that the Airport and the City Attorney's Office are continuing to review whether the City's share of CalTrain's operating costs could be funded by the Airport's budget. Ms. Pennypacker advises that the Airport and the City Attorney's Office will not have completed their review of this issue by the March 2, 1994 Budget Committee meeting. Ms. Pennypacker was unable to indicate when the City Attorney's review would be completed.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Item 12 - File 174-94-4

Item: Resolution creating a Local Contracting and Hiring Task Force to investigate how the City can respond most effectively to the awarding of construction contracts to out-of-City and out-of-State contractors; The Task Force shall complete its work and report to the Board of Supervisors by November 1, 1994.

Description: The proposed legislation makes the following findings concerning the award of construction contracts by the City:

1. The awarding of major construction contracts to out-of-State contractors harms the economy of the City and all of its residents;
2. The City has an expert and eager work-force that is capable of performing all of the services that can be performed by out-of-State contractors;
3. The Board of Supervisors finds that it is necessary for the City and County to initiate action immediately to respond to the awarding of construction contracts to out-of-City and out-of-State contractors.

The proposed legislation would create a Local Contracting and Hiring Task Force composed of 13 voting members who would be appointed as follows:

1. The President of the Board of Supervisors would serve as a member and as Chair of the Task Force;
2. The Board of Supervisors would appoint 12 other members to the Task Force.

The proposed legislation further provides that, once appointed to the Task Force, any member who misses more than three meetings due to unexcused absences would have their appointment terminated and a replacement appointment would be made.

The Local Contracting and Hiring Task Force would report on the following issues:

1. Measures that can be taken to provide effective incentives and regulations to promote awarding construction contracts to local contractors;

BOARD OF SUPERVISORS
BUDGET ANALYST

2. Measures that can be taken to provide effective incentives and regulations to promote the hiring of construction contracts to local contractors;
3. An inventory of proposed private and public major construction projects in the City over the next five years;
4. Possible Charter and ordinance amendments that would help the Board of Supervisors create an effective program to promote the hiring of residents and the awarding of construction contracts to local contractors.

The proposed legislation further provides that the Local Contracting and Hiring Task Force should investigate how other cities, especially Boston and Chicago, have provided incentives and regulatory programs to encourage the awarding of construction contracts to local contractors and the hiring of local residents on such contracts.

Comments:

1. The City Charter, the Administrative Code, and departmental regulations provide the policies and procedures for awarding contracts for the construction or repair of public works or improvements. In general, those provisions require that construction contracts be awarded to the lowest responsible and responsive bidder and cover such procurement issues as bid advertising, acceptance of bids, required bid sureties, opening of bids, contract awards, and protests.
2. According to information provided by the Human Rights Commission, City departments awarded a total of approximately \$277.1 million in construction contracts during fiscal year 1992-93. Of that total amount, \$180.2 million was awarded to firms located within the State and \$96.9 million was awarded to out-of-State firms.
3. Charter 12D of the Administrative Code provides a five percent preference for certified local firms on City contracts. However, with respect to construction contracts, such local firms must not have exceeded an average of \$14,000,000 in gross annual revenues over the past three years in order to be eligible for the five percent preference.
4. Charter Section 7.204, "Contractors' Working Conditions," provides in part "that all laborers employed in the execution of any contract within the limits of the city and county shall have been residents of the city and county for a period of one year immediately preceding the date of their engagements to perform labor thereunder...." Concerning this residency

requirement for laborers on public works projects, Mr. Buck Delventhal of the City Attorney's Office reports that the City Attorney has issued an opinion concluding that the current residency requirement is unenforceable because of a conflict with the U.S. Constitution. However, Mr. Delventhal further reports that the City might be able to impose such a requirement if evidence could be assembled demonstrating a serious problem of local unemployment that is caused or exacerbated by the employment of non-City residents on public works projects.

5. Mr. Delventhal reports that there are no prohibitions on awards of construction contracts to out-of-State firms.

6. Other than the Task Force members' time, no additional costs to the City resulting from the operation of the Task Force are anticipated.

7. The Office of the Author of the proposed legislation states that membership in the proposed Task Force could include members of City departments and that members of the Task Force would serve without compensation. Mr. Buck Delventhal of the City Attorney's Office reports that amendments to the proposed legislation are not required to achieve those two purposes, which are not directly addressed in the current proposed legislation .

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Item 13 - File 101-93-84

Department: Mayor's Office of Children, Youth and Their Families

Item: Supplemental appropriation ordinance to appropriate unappropriated funds in the Children's Fund for professional services contracts with community based agencies for fiscal year 1993-94.

Amount: \$228,233

Source of Funds: Children's Fund - Unappropriated Revenue

Description: San Francisco Charter Section 6.415, commonly known as the "Children's Amendment", that was approved by the electorate as Proposition J in November, 1991, requires that the Board of Supervisors approve a Children's Services Plan annually as a basis for budgeting the Children's Fund. The Children's Fund is funded by an annual set-aside of ad valorem (property) taxes designated for services and programs for children. The Mayor's Office of Children, Youth and Their Families (MOCYF) is responsible for administering the Children's Fund.

In approving the 1993-94 budget, the Board of Supervisors included a \$1.6 million Restoration Reserve which required that certain services benefiting children budgeted in the Department of Public Health be funded by the Children's Fund, thereby permitting \$1.6 million of General Fund revenues included in the DPH's annual budget to be used for other needed services. The actual amount of services identified by the DPH that could be transferred from funding by the General Fund in the DPH's budget to funding by the Children's Fund was \$1,300,710 (File 101-93-57). This transfer was not anticipated when the 1993-94 Children's Services Plan was developed. The \$1,300,710 transfer, although still being allocated for children's services, has resulted in less funds allocated to community-based non-profit contractors.

Therefore, the MOCYF proposes appropriating a total of \$228,233 of Unappropriated Revenues in the Children's Fund for children's services provided by community-based non-profit contractors. The proposed source of funds is \$156,284 from the 1993-94 Children's Fund that was not appropriated in order to have a contingency reserve and \$71,949 carried over from fiscal year 1992-93 that resulted from an excess of actual property tax revenues received over the amount of revenues budgeted.

The proposed \$228,233 supplemental appropriation would be combined with \$53,767 in previously appropriated, unexpended Children's Fund monies in the fiscal year 1993-94 Children's Fund budget to purchase children's services totalling \$282,000 from community-based non-profit contractors, as follows:

Career Resources Development Center \$20,000

This program will provide a semester of after school computer tutorial at five sites to increase problem-solving skills and enhance later employability to a minimum of 190 at-risk students.

Korean Center 20,000

The Korean Center program will provide bilingual training including computer literacy and English as a Second Language and provide workshops, lectures and field trips to promote understanding of American culture and build self esteem. These services would be provided to 60 at-risk youth.

Charity Cultural Services Center 12,000

The Charity Cultural Services Center's Families in Transition Program is designed to ease the cultural adjustment process for newly arrived Asian immigrant youths and their parents. Workshops for 60 teens will be held two days a week after school.

Mission Childcare Consortium 80,000

The Mission Childcare Consortium will provide childcare/child development services to 24 preschool children of low and moderate income families. The agency will provide age appropriate developmental activities, recreational activities in a bilingual (Spanish/English) environment as well as a nutrition program to children receiving services.

San Francisco Educational Services (Hoover Middle School) 50,000

This program will provide 100 students attending Hoover Middle School in the Bayview Hunter's Point community with in-school and after school tutoring, mentoring, leadership training, future educational planning, early exposure for jobs, conflict resolution and cultural diversity training.

Robert F. Kennedy Memorial Foundation

\$100,000

The Youth Fellows Program of the Robert F. Kennedy Memorial Foundation will provide stipends to students from local high schools and colleges to work as interns in community organizations in the Mission and Bayview Hunter's Point neighborhoods and at the Youth Guidance Center. While students will work to fill a variety of community needs, there will be a special emphasis on health needs.

Total Non-profit Community-based Contracts

\$282,000

The six non-profit community-based contractors were selected through a Request for Proposal (RFP) process. The proposals submitted by these non-profit contractors originally were rated at a lower priority, resulting in no Children's Fund allocations to these non-profit contractors. However, after receiving appeals from these non-profit contractors, the Mayor's Office of Children, Youth and Their Families reconsidered the proposals and decided to request the proposed supplemental appropriation in order to fund these programs.

Comments:

1. The Mayor's Office of Children, Youth and Their Families indicates that the \$100,000 for the Robert F. Kennedy Memorial Foundation contract will be matched by \$100,000 from the Foundation itself, for a total of \$200,000 of children's services. Additionally, this \$200,000 will be used as a match for a Federal grant of between \$300,000 and \$600,000 from the Federal Department of Health and Human Services resulting in a total estimated amount of between \$500,000 and \$800,000 of children's services.
2. As previously noted, this request of \$228,233 would be supplemented with \$53,767 in previously appropriated unexpended monies from the Children's Fund in order to fully pay for the \$282,000 being allocated to the non-profit contractors.

Recommendation: Approval of the proposed supplemental appropriation ordinance is a policy decision for the Board of Supervisors.

Items 14, 15, and 16 - Files 101-90-86.4, 101-91-75.2 and 207-94-3

Department: Police Department
Bureau of Architecture, Department of Public Works (DPW)

Items: Item 14 - File 101-90-86.4 - Release of reserved funds for the Police Department - 1987 Police Facilities Improvement Bond Fund, in the amount of \$245,000 for the renovation of Golden Gate Park Police Stables.

Item 15 - File 101-91-75.2 - Release of reserved funds for the Police Department - 1987 Police Facilities Improvement Bond Fund, in the amount of \$450,000 for the renovation of the Park Station.

Item 16 - File 207-94-3 - Authorizing work for the renovation of the Park Police Station and the Golden Gate Park Police Stables.

Amount: \$695,000 (\$245,000 plus \$450,000)

Description: In November, 1987, San Francisco voters authorized a \$28 million General Obligation Bond issue to fund the renovation and improvement of various Police Department facilities. In July 1988, the first bond sale in the amount of \$11 million occurred. Funds from the first bond supported 1) the acquisition of land for the new Bayside Station; 2) the renovation of the Pistol Range and the Ingleside and Richmond Stations; and 3) preliminary studies on the renovation of the Taraval Station and construction of the new Mission Station. In January 1991, \$10.9 million was sold at a second bond sale. Funds from the second bond sale supported work at the following sites: the Bayview, Central, Mission, Taraval, Park and Richmond Stations as well as the Golden Gate Stables and the Juvenile Hall.

Item 14 - Renovation of the Golden Gate Park Police Stables

The Board of Supervisors previously approved a supplemental appropriation ordinance (File 101-90-86) appropriating \$11,523,772 for various Police facilities maintenance and improvement projects, financial advisors, bond counsel, and renovation work for various projects, including the Golden Gate Park Police Stables. Of the \$11,523,772, the Board of Supervisors reserved \$245,000 in contractual services for the Golden Gate Park Police Stables renovation project, pending selection of contractors, contract budget information, and the MBE/WBE status of the contractors.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 15 - Renovation of the Park Police Station

The Board of Supervisors previously approved a supplemental appropriation ordinance (File 101-91-75) appropriating \$6,220,350 for various Police facilities maintenance and improvement projects, including the Park Station. Of the \$6,220,350, the Board of Supervisors reserved \$450,000 in contractual services for the Park Station renovation project, pending selection of contractors, contract budget information, and the MBE/WBE status of the contractors.

Item 16 - Authorizing Work of Police Facilities at Golden Gate Park

Section 3.552 of the City Charter, Power and Duties, Recreation and Park Department, requires that any building or structure, except a building or structure necessary for maintenance, shall not be erected, enlarged, or expanded in Golden Gate Park unless approval is obtained from two-thirds of the members of the Board of Supervisors. The proposed resolution would authorize work for the renovation of the Park Police Station and the Golden Gate Park Police Stables in accordance with Charter Section 3.552.

Comment:

Mr. Gary Hoy of the Bureau of Architecture reports that the subject construction projects were combined with another construction project at the Park Police Station into a single Invitation for Bids (See Item 1a, File 101-91-74.5 of this Report). The low bidder on the solicitation, Zollman Construction Company, Inc., has requested that its bid be withdrawn. Zollman's bid of \$1,420,000 for the three projects was approximately \$377,000 lower than the next lowest bidder. Mr. Hoy states that DPW has been in the process of awarding the contract to Zollman Construction Company, Inc., but that the Department must await Zollman's decision of whether to perform or to forfeit its bid bond. Therefore, Mr. Hoy is requesting that the subject items be continued for two weeks, to the March 16, 1994, meeting of the Budget Committee.

Recommendation: Continue the proposed legislative items to the March 16, 1994, meeting of the Budget Committee, as requested by the Department of Public Works.

Item 17 - File 127-93-13.3

Note: The author of this legislation advises the Budget Analyst that Items 17 and 18, Files 127-93-13.3 and 100-94-2, should be considered together. The author also indicates that a substitute ordinance will be submitted to the Budget Committee at the March 2, 1994 Committee meeting.

Item: Ordinance amending Part III, Revenue/Business Registration, of the San Francisco Municipal Code pertaining to the Payroll and Gross Receipts Taxes to a) increase the amount of the threshold related to the exemption allowed to small businesses and b) delete the provision for a graduated Payroll Tax rate (between 1.0 and 1.5 percent).

Description: Part III of the San Francisco Municipal Code includes Article 12-A, Payroll Expense Tax Ordinance, and Article 12-B, Business (Gross Receipts) Tax Ordinance. Currently, the Payroll Tax Ordinance imposes a tax on the payroll expense of business operations in San Francisco and the Gross Receipts Tax Ordinance imposes a tax on the gross receipts of business operations in San Francisco. Businesses pay the greater of either their Payroll Tax or their Gross Receipts Tax liability.

Payroll and Gross Receipts Tax Liability Exemptions for Small Businesses

The Municipal Code currently provides that all Small Businesses are totally exempt from the Payroll Tax (Section 905-A) and from the Gross Receipts Tax (Section 1005.3). A Small Business is defined as any business whose Payroll or Gross Receipts Tax liability does not exceed \$1,000.

The Municipal Code also currently provides that all Smaller Businesses are required to pay only one-half of their Payroll Tax liability (Section 905-B) or Gross Receipts Tax liability (Section 1005.3-1) for tax year 1993 if such liability is between \$1,001 and \$2,500. The Payroll or Gross Receipts Tax liability that is reduced by one-half is computed by multiplying the Smaller Business' annual payroll or gross receipts by the Payroll Tax rate, currently 1.0 to 1.5 percent, or the Gross Receipts Tax rate, generally 0.3 percent with some exceptions. A Smaller Business is defined as any business that existed prior to July 1, 1993 and whose 1993 Payroll or Gross Receipts Tax liability is between \$1,001 and \$2,500.

The proposed ordinance would delete the provisions for Smaller Businesses pertaining to both the Payroll Tax (Section 905-B) and the Gross Receipts Tax (Section 1005.3-1) payment for tax year 1993. The proposed ordinance would change the definitions of Small Businesses to include those businesses that for 1993 tax payments were considered to be Smaller Businesses, by increasing the amount of the threshold related to the exemption of the Payroll Tax and Gross Receipts Tax liability from \$1,001 to \$2,500. Therefore, all business with a Payroll Tax or Gross Receipts Tax liability of \$2,500 or less would now be classified as Small Businesses that are totally exempt from payment of Payroll Tax and Gross Receipts Tax, instead of all businesses with a Payroll Tax or Gross Receipts Tax liability of \$1,000 or less.

Graduated Payroll Tax Rate

Section 903.1 provided that between July 1, 1990, and December 31, 1992, the Payroll Tax rate was 1.5 percent and that beginning January 1, 1993, the Payroll Tax rate is as follows:

<u>Annual Payroll Expense</u>	<u>Payroll Tax Rate (Percentage)</u>
Not exceeding \$140,000	1.0%
\$140,001 to \$166,667	1.25%
In excess of \$166,667	1.5%

The proposed ordinance would amend Section 903.1 to delete the provision for a graduated Payroll Tax rate (between 1.0 and 1.5 percent per table above) that became effective on January 1, 1993 and, instead, continues the 1.5 percent Payroll Tax. Should the threshold from the exemption for the Payroll Tax liability be extended to \$2,500 as proposed above, the graduated Payroll Tax rate that applies only to Payroll Tax liabilities of \$2,500 or less would no longer be needed. The proposed deletion of the graduated Payroll Tax rates pertains only to the Payroll Tax and not to the Gross Receipts Tax.

Comments:

1. Mr. Richard Sullivan of the Tax Collector's Office advises that the proposed changes would result in decreased General Fund Revenues to the City of approximately \$5.22 million for Fiscal Year 1993-94. Since the City's Fiscal Year 1993-94 Budget included Payroll and Gross Receipts Tax revenues based on the current provisions of the Municipal Code, the proposed changes resulting in decreased General Fund Revenues of approximately \$5.22 million for Fiscal Year 1993-94 would result in a corresponding reduction in the General

Fund Reserve. According to Mr. John Madden of the Controller's Office, the General Fund Reserve has a balance of \$4.3 million as of February 28, 1994. Therefore, either other appropriations in the 1993-94 budget would have to be reduced by approximately \$920,000 (\$5.22 million in refunds of Payroll and Gross Receipts Tax revenues less \$4.3 million available General Fund Reserve) or other revenues would have to be increased to offset this estimated \$920,000 deficiency.

2. Mr. Sullivan does not yet have an estimate of the costs for the Tax Collector's Office to process any applicable refunds of Payroll and Gross Receipts Taxes that have already been collected.

Recommendation: Approval of the proposed ordinance to change the Municipal Code provisions for the Payroll and Gross Receipts Taxes which would result in reduced General Fund revenues of approximately \$5.22 million in Fiscal Year 1993-94 is a policy matter for the Board of Supervisors. As previously noted, the General Fund Reserve has a balance of \$4.3 million as of February 28, 1994.

Item 18 - File 100-94-2

Note: The author of this legislation advises the Budget Analyst that Items 17 and 18, Files 127-93-13.3 and 100-94-2, should be considered together.

1. The proposed resolution would urge the Mayor to prepare the fiscal year 1994-95 budget to reflect revenues adjusted for the restoration of the \$2,500 threshold for the payment of the Payroll/Gross Receipts Tax.

2. The revenue estimates in the FY 1993-94 budget included revenues from a new small business tax which lowered the threshold for exempting small businesses from payment of the Payroll and Gross Receipts Taxes from \$2,500 to \$1,000. Therefore, if the tax liability of businesses is \$1,001 or more, such businesses would be subject to the payment of their Payroll and Gross Receipts Taxes owed to the City, whereas formerly such small businesses were not subject to the payment of these taxes unless their liability was \$2,501 or more.

3. This lowering of the threshold to determine the exemption from payment of the Payroll and Gross Receipts Taxes resulted in estimated increased annual Payroll and Gross Receipts Tax Revenues to the City of \$5.22 million which were included in the Fiscal Year 1993-94 budget.

4. According to the proposed resolution, it was the sentiment of a number of the Members of the Board of Supervisors that the \$2,500 threshold be restored as soon as additional savings were realized, above the projected \$8 million needed to restore the Department of Public Health's Fiscal Year 1993-94 services, based on adjustments in the yearly contribution rates to the Employees Retirement System. The proposed resolution states that \$16.2 million in savings was in fact realized from the adjustments to the contribution rates to the Employee Retirement System. The proposed resolution further states that in addition to the current year's savings, approximately \$32.4 million will accrue to the General Fund for FY 1994-95, as a direct result of these adjustments to the retirement contribution rates. Accordingly, the proposed resolution would urge the Mayor to prepare the FY 1994-95 budget to reflect the restoration of the \$2,501 threshold for the payment of Payroll/Gross Receipts Taxes for businesses and place the Board of Supervisors on record that it intends to amend the business tax ordinance for FY 1994-95 by restoring the tax threshold to \$2,501.

Comment

If the Fiscal Year 1994-95 budget is prepared in accordance with the proposed resolution, the corresponding reduction in Payroll and Gross Receipts Tax revenues that would result to the City would be an estimated \$5.22 million annually.

Recommendation

Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Item 19 - File 101-93-76

Departments: Chief Administrative Officer (CAO)
Fire Department

Item: Supplemental appropriation ordinance to appropriate 1992 Fire Protection Bond funds to the 911 Capital Improvement Project

Amount: \$1.5 million

Source of Funds: 1992 Fire Protection Bonds – Unappropriated Fund Balance

Description: The Board of Supervisors adopted two ordinances and a resolution in December, 1993 to effect the following actions:

- a. Impose a 911 Emergency Response Fee on telephone subscribers to finance the 911 Combined Emergency Dispatch Center and to place the proceeds in a new special fund designated as the 911 Emergency Response Fund (File 127-93-22). The 911 Emergency Response Fee is a monthly fee of \$0.50 (\$6.00 annually) per local telephone access line, including cellular phones.
- b. Establish a new special fund designated as the 911 Emergency Response Fund (File 97-93-58).
- c. Authorize and direct the Chief Administrative Officer (CAO) to take all steps necessary to construct and equip a 911 Communications Facility (Combined Emergency Dispatch Center) in consultation with the Mayor's Office of Emergency Services (File 307-93-1). The consolidated 911 Combined Emergency Dispatch Center is a computer-aided dispatch system for police, fire and emergency medical services.

The Budget Analyst has previously estimated that the 911 Emergency Response Fee would produce approximately \$4.5 million, annually, in new City revenues. Therefore, in order to begin the project that is estimated to cost a total of approximately \$57.9 million, as soon as possible, a Ballot Proposition (File 212-94-1) is being submitted to the electorate in June, 1994 to authorize lease financing in the amount of up to \$60 million to provide immediate financing for the 911 Combined Emergency Dispatch Center. The 911 Emergency Response Fee revenues of approximately \$4.5 annually would be used to pay off the lease financing over a period of approximately 10.5 years.

BOARD OF SUPERVISORS
BUDGET ANALYST

The CAO's Office estimates the total project costs of establishing the 911 Combined Emergency Dispatch Center will be approximately \$57,851,000, as follows:

Building Construction	\$12,220,000
Furnishings, Fixtures & Equipment	1,000,000
Computer Equipment	30,210,000
Project Management-CAO's Office	1,096,000 *
Controller's ISD Costs	1,096,000 *
Conversion Costs	280,000
Lease Financing Costs	<u>11,949,000</u>
Total Project Cost	\$57,851,000

*According to the CAO's Office, it is coincidental that the estimate for these costs are identical.

Of the approximately \$57.9 million total estimated cost of the 911 Combined Emergency dispatch Center, approximately \$48.6 million would come lease financing that would be repaid from 911 Emergency Response Fee revenues and approximately \$2.3 million would come from 1992 Fire Protection Bond funds that can be applied to this project for a total of approximately \$50.9 million in funding from these two sources. The balance of funds needed, approximately \$7.0 million (\$57.9 million total estimated project cost less \$50.9 million of funding already identified), must therefore be paid from some other source. Since no other funding source has been identified at this time, the \$7.0 million will likely become a General Fund obligation. The approximately \$7.0 million from the General Fund would not be paid immediately but would be paid over the estimated 10.5 year term of the lease financing to supplement 911 Emergency Response Fee revenues for the payment of the debt service.

The proposed supplemental appropriation would allocate \$1.5 million from the 1992 Fire Protection Bonds to the 911 Combined Emergency Dispatch Center Project. The \$1.5 million would come from the initial 1993 sale (Series 1993D) of the previously authorized 1992 Fire Protection Bonds. Future sales of 1992 Fire Protection Bonds will provide an additional \$800,000 to make the total contribution of \$2.3 million from 1992 Fire Protection Bonds. The proposed \$1.5 million would partially pay for the total estimated building construction costs of \$12,220,000, as follows:

	Proposed Supplemental Appropriation <u>Funding</u>	Other Funding*	<u>Total</u>
Construction and Demolition	—	\$7,820,000	\$7,820,000
Construction Contingency (10.0 % of construction and demolition)	—	785,000	785,000
Project Management	\$200,000	300,000	500,000
Architectural Programming	100,000	—	100,000
Environmental Surveys	200,000	50,000	250,000
Environmental Evaluation/ Environmental Impact Report	200,000	60,000	260,000
Architectural/Engineering Design	800,000	250,000	1,050,000
Permits/Fees/Materials Testing	—	450,000	450,000
Architectural/Engineering Construction Services	—	225,000	225,000
Construction Management	—	600,000	600,000
Art Enrichment	—	<u>180,000</u>	<u>180,000</u>
Total Building Construction Costs	\$1,500,000	\$10,720,000	\$12,220,000

* The other funding would come from a) the approximately \$48.6 million in lease financing that would be repaid from the 911 Emergency Response Fee revenues, b) the approximately \$2.3 million from the 1992 Fire Protection Bond funds and c) the approximately \$7.0 million from the General Fund.

Construction and demolition would be performed by an outside construction contractor. All other work would be performed by City Departments. Therefore, all of the proposed \$1.5 million supplemental appropriation would be expended for services of City Departments.

Comment: Most of the funding for the proposed 911 Combined Emergency Dispatch Center Project would initially come from lease financing which must first be approved by the voters in June, 1994. Mr. Steve Nelson of the CAO's Office indicates that should the voters not approve the lease financing proposition, the beginning of the 911 Combined Emergency Dispatch Center Project would be delayed until sufficient 911 Emergency Response Fee Revenues (\$4.5 million annually) could be collected to begin construction.

Recommendation: Based on the prior Board of Supervisors policy decision to move forward with the 911 Combined Emergency Dispatch Center, approve the proposed supplemental appropriation ordinance.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 20 - File 165-94-4

- Department:** Board of Supervisors
- Item:** Motion directing the Budget Analyst to conduct a comprehensive management audit of the Tax Collector's Office.
- Description:** The proposed motion would direct the Budget Analyst to conduct a comprehensive management audit of the San Francisco Tax Collector's Office. If the proposed motion is approved, the Budget Analyst would perform a detailed management audit of the Tax Collector's Office, including, but not limited to a review of the following areas:
- Review of Federal and/or State tax regulations and local tax ordinances and determine whether the Tax Collector's Office fully enforces such regulations and ordinances;
 - Examination of procedures for collecting tax payments (including Payroll Taxes, Gross Receipts Taxes, Property Taxes, Hotel Taxes, Parking Taxes, Rent Board Taxes, Utility Users Taxes, etc.);
 - Examination of procedures for timely deposits of tax receipts for purposes of earning the highest amount of interest income as expeditiously as possible;
 - Assessment of penalties and the collection of delinquent tax payments;
 - Organizational, management and staffing analysis;
 - Tax audit functions and tax delinquency recovery rates;
 - Potential for automated collections and processing of tax payments;
 - Review of procedures to ensure that new businesses located in San Francisco, as well as existing businesses, register with the Tax Collector;
 - Analysis of enforcement procedures related to tax collections pertaining to subcontractors of prime contractors who work in the City, to assure registration and payment of business taxes;

BOARD OF SUPERVISORS
BUDGET ANALYST

- Analysis of enforcement procedures related to tax collections pertaining to out-of-City and out-of-State businesses who do business in the City;
- Examination of the adequacy of the Tax Collector's safekeeping and security procedures of all receipts handled by the Tax Collector;
- Examination of potential duplicative auditing functions between the Tax Collector's Office and the Assessor's Office.

Comments:

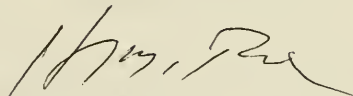
1. The requested management audit is estimated to require approximately 1,700 hours to complete. Based on the Budget Analyst's average hourly rate of \$66.43, this management audit will cost approximately \$112,931. However, this audit would be conducted under the Budget Analyst's existing contract with the Board of Supervisors, such that the City would not incur any additional expenses for the completion of this comprehensive management audit of the Tax Collector's Office.

2. It should be noted that the Budget Analyst last conducted a management audit of the Tax Collector's Office in 1981, or approximately 13 years ago. It was estimated that the proper implementation of the recommendations made in that audit would have resulted in increased revenues and reduced expenditures to the City of approximately \$3.2 million annually and would have resulted in additional audits being conducted with no additional Tax Collector's staff.

3. As of the writing of this report, based on the existing management audit workload of the Budget Analyst, which includes a management audit of programs affecting the homeless, a management audit of the Department of Public Health's Paramedic Division and a management audit of the Department of Parking and Traffic, it is anticipated that this Tax Collector's audit can begin on or about January 1, 1995.

Memo to Budget Committee
March 2, 1994

Recommendation: Approval of the proposed motion is a policy matter for the Board of Supervisors.



Harvey M. Rose

cc: Supervisor Hsieh
President Alioto
Supervisor Bierman
Supervisor Conroy
Supervisor Hallinan
Supervisor Kaufman
Supervisor Kennedy
Supervisor Leal
Supervisor Maher
Supervisor Migden
Supervisor Shelley
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Robert Oakes
Ted Lakey

AUG 27 1996

SAN FRANCISCO
PUBLIC LIBRARY

CALENDAR ... MET CU
BUDGET COMMITTEE TAKEN
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

SF
590.07
=2
3/9/94
WEDNESDAY, MARCH 9, 1994 - 1:00 P.M.

ROOM 228, CITY HALL

PRESENT: SUPERVISORS HSIEH, ALIOTO, BIERMAN

ABSENT: SUPERVISOR ALIOTO ON ITEMS 1-3, 6-8, 16 and 19

CLERK: MARY L. RED

REGULAR CALENDAR

1. File 217-94-2. [Supplemental Budget/Senior Escort Program] Hearing to consider the status of the Board of Supervisor's request for a \$290,000 supplemental appropriation for the Senior Escort Program. (Supervisors Hsieh, Alioto, Bierman) (Continued from 2/23/94)

ACTION: Consideration continued to March 16. (Supervisor Alioto absent)

2. File 101-93-33.1. [Reserved Funds, Port of San Francisco] Hearing requesting release of reserved funds, Port, in the amount of \$140,000, for final engineering and design of modifications to tunnels #3 and #4 to accommodate double stack container rail cars. (Port)

ACTION: Release of reserves in the amount of \$140,000 approved. FILED.
(Supervisor Alioto absent)

3. File 172-94-6. [Hold Harmless Agreement, Ferry Terminal Up Grade] Resolution authorizing the Port to hold the State of California harmless for claims arising from work done or omitted to be done by agents or contractors working on the Ferry Terminal Up-Grade Project, at Pier 1/2. (Supervisor Hsieh, Alioto)

ACTION: RECOMMENDED. Supervisor Alioto absent. (Supervisor Alioto added as cosponsor)

4. File 161-92-4.2. [Reserved Funds, Redevelopment Agency] Hearing requesting release of reserved funds, Redevelopment Agency, in the amount of \$129,000 for the Hunters Point Shipyard. (Redevelopment Agency)

ACTION: Release of reserve funds in the amount of \$129,000 approved. FILED

5. File 100-94-5. [Board of Supervisors Department Budget, 1994-95] Hearing to consider the 1994-95 Budget request of the Department of the Board of Supervisors. (Supervisor Alioto)

ACTION: Hearing held. Motion prepared in and reported out of committee entitled, "Authorizing and directing the Clerk of the Board to file with the Controller, the Budget estimates for Fiscal Year 1994-1995 for the Department of the Board of Supervisors." RECOMMENDED.

6. File 93-94-6. [MOU, Temporary Relocation of City Hall] Resolution authorizing the Director of Property to enter into a Memorandum of Understanding with the War Memorial Board of Trustees, for the temporary relocation of the Mayor, the Board of Supervisors, the Law Library, and possible the City Attorney, to the War Memorial Veterans Building. (Supervisor Alioto)

ACTION: Consideration continued to March 16. Supervisor Alioto absent.
(Supervisor Alioto added as sponsor)

7. File 64-94-3. [Lease of Real Property at 633 Folsom St.] Resolution authorizing a lease of real property at 633 Folsom Street for the temporary relocation of the Civil Courts, Court-related Administrative Divisions, and other City departments. (Supervisor Alioto)

ACTION: Consideration continued to March 16. Supervisor Alioto absent.
(Supervisor Alioto added as sponsor)

8. File 64-94-4. [Lease of Real Property at 875 Stevenson St.] Resolution authorizing a lease of real property at 875 Stevenson Street, commonly known as the San Francisco Mart (Mart II), for the temporary relocation of City departments currently at City Hall. (Supervisor Alioto)

ACTION: Consideration continued to March 16. Supervisor Alioto absent.
(Supervisor Alioto added as sponsor)

9. File 47-94-5. [Parking Rate Change - 5th/Mission Garage] Resolution recommending that the San Francisco Board of Supervisors approve new parking rates at the Fifth and Mission Garage. (Supervisor Alioto)

ACTION: Consideration continued to March 16. (Supervisor Alioto added as sponsor)

10. File 101-93-85. [Appropriation, Police Department] Ordinance appropriating \$386,700, Police Department, Narcotics Forfeiture and Seizure monies for narcotics abatement and investigation at the Police Department and District Attorney's Office for 1993-94 (includes non-personal services, materials and supplies, services of other departments and capital improvements for the Police Department and salaries and mandatory fringe benefits for the District Attorney's Office). (Controller)

ACTION: Amendment of the Whole reflecting Budget Analyst recommendations adopted. New title: "Ordinance appropriating \$386,700, Police Department, Narcotics Forfeiture and Seizure monies for narcotics abatement and investigation at the Police Department and District Attorney's Office for 1993-94 (includes non-personal services, materials and supplies, services of other departments and capital improvements for the Police Department and salaries and mandatory fringe benefits for the District Attorney's Office); providing for ratification of action previously taken and placing \$80,000 on reserve." RECOMMENDED AS AMENDED

11. File 101-93-88. [Appropriation, Dept. of Public Works] Ordinance appropriating \$1,400,000, Department of Public Works, from Earthquake Safety Bond Fund interest earnings for capital improvements to various Fire Stations. (Supervisor Alioto) RO #93228

ACTION: Amendment of the Whole reflecting Budget Analyst recommendations adopted. New title: "Ordinance appropriating \$1,400,000, Department of Public Works, from Earthquake Safety Bond Fund interest earnings for capital improvements to various Fire Stations; placing \$331,500 on reserve." RECOMMENDED AS AMENDED. (Supervisor Alioto added as sponsor).

12. File 101-92-60.4. [Reserved Funds, Fire Department] Hearing requesting release of reserved funds, Fire Department, 1992 Prop C Fire Improvement Bond Program, in the amount of \$304,800, for design, construction services and construction for various Fire Department facilities. (Fire Department) (Continued from 3/2)

ACTION: Release of reserve funds in the amount of \$320,358 approved. FILED. (See Budget Analyst report for explanation for change in amount of funds released)

13. File 101-93-89. [Appropriation, Department of Public Works] Ordinance appropriating \$23,980,000 and rescinding \$2,200,000, Department of Public Works, from Sunnydale Clean Water Project to allow the construction of the Rankin Pump Station and make capital improvements to the Southeast Water Pollution Control Plant for fiscal year 1993-94 (funded from 1988 Sewer Revenue Bonds and interest earnings). (Supervisor Alioto) RO #93226

ACTION: Amendment of the Whole reflecting Budget Analyst recommendations adopted. New title: "Ordinance appropriating \$23,980,000 and rescinding \$2,200,000, Department of Public Works, from Sunnydale Clean Water Project to allow the construction of the Rankin Pump Station and make capital improvements to the Southeast Water Pollution Control Plant for fiscal year 1993-94 (funded from 1988 Sewer Revenue Bonds and interest earnings); placing \$19,910,000 on reserve." RECOMMENDED AS AMENDED (Supervisor Alioto added as sponsor)

14. File 101-93-90. [Appropriation, Department of Agriculture] Ordinance appropriating \$73,475, Department of Agriculture, unclaimed State Gasoline Tax revenue for equipment purchase, services of other departments and transfer to unappropriated General Fund Reserve for fiscal year 1993-94. (Supervisor Alioto) RO #93232

ACTION: RECOMMENDED. (Supervisor Alioto added as sponsor)

15. File 101-93-91. [Appropriation, Board of Supervisors] Ordinance appropriating \$225,000, Board of Supervisors, to allow increase professional services contract with the Budget Analyst (Zero-Base Budget analysis) for fiscal year 1993-94; funded from General Fund Reserve (\$117,193) and rescission of remaining Board reserves (\$107,807). (Supervisors Hsieh, Alioto, Bierman) RO #93233 (See also file 69-94-1)

ACTION: RECOMMENDED. (Supervisors Hsieh, Alioto, Bierman added as sponsors)

16. File 101-93-92. [Appropriation, Academy of Sciences] Ordinance appropriating \$655,700, Academy of Sciences, to a facilities maintenance project at the Academy of Sciences for repair of Fish Roundabout at the Steinhart Aquarium and appropriating \$154,307 to the General Fund Reserve and rescinding \$810,007 from a capital improvement project (City Hall roof and skylight repairs) at the Department of Public Works for fiscal year 1993-94. (Supervisor Alioto) RO #93234

ACTION: Consideration continued to March 16. Supervisor Alioto absent.
(Supervisor Alioto added as sponsor)

17. File 226-94-1. [Charter Reform Gifts] Ordinance authorizing the Proposition N Charter Reform Committee to accept in-kind contributions to the City for the purpose of Charter reform. (Supervisors Kaufman, Bierman, Leal)

ACTION: RECOMMENDED.

18. File 68-94-8. [Home Program Grant Funds] Resolution authorizing the Mayor to apply for, accept and administer a grant from the U.S. Department of Housing and Urban Development for a total amount not to exceed five million six hundred eighty-four thousand dollars (\$5,684,000) for the Home Program authorized under Title II of the National Affordable Housing Act of 1990, Public Law Number 101-625 and approving the Home Program description. Indirect costs associated with the acceptance of these grant funds will be paid by Community Development Block Grant funds. (Supervisors Shelley, Alioto, Bierman)

ACTION: RECOMMENDED. (Supervisor Bierman added as cosponsor)

19. File 101-93-94. [Appropriation, Department of Public Health] Ordinance appropriating \$1,495,177, Department of Public Health, in Medi-Cal net revenues for San Francisco General Hospital's participation in the SB 855 Disproportionate Share Payment Program for fiscal year 1993-94 (includes revenue transfer to the General Fund and SB 855 match in other non personal services). RO #93242 (Supervisor Hsieh, Alioto)

ACTION: Consideration continued to March 16. Supervisor Alioto absent.
(Supervisor Alioto added as cosponsor)

**BOARD OF SUPERVISORS****BUDGET ANALYST**

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

March 7, 1994

TO: Budget Committee

FROM: Budget Analyst

SUBJECT: March 9, 1994 Budget Committee Meeting

Item 1 - File 217-94-2

Note: This item was continued from the February 23, 1994 Budget Committee meeting.

This item is a hearing to consider the status of the Board of Supervisors request for a \$290,000 supplemental appropriation for the Senior Escort Program.

In order to meet the budget reduction target required by the Mayor's Office, the Senior Escort Program's FY 1993-94 budget was reduced by \$764,524 from the FY 1992-93 budget of \$2,112,069 to \$1,347,545. This reduction reflects the elimination of 25 positions, with the total staff being reduced from 42 positions to 17 positions.

Based on a January 10, 1994 letter from the Mayor to the Board of Supervisors, the Mayor's Office indicated that (1) the Police Department considers the present budget sufficient to support the Senior Escort Program, as the Program was intended, and (2) the Police Department has not indicated any need for additional supplemental appropriations. Ms. Teresa Serata of the Mayor's Office confirms that the Police Department has not submitted a request for an additional \$290,000 supplemental appropriation for the Senior Escort Program.

In response to the Budget Committee's request for a review of the Senior Escort Program, according to Ms. Serata, the Mayor's Office has completed a preliminary draft report on the Senior Escort Program. Ms. Serata reports that the Mayor's Office is currently conducting reviews of this report with the Chair of the Budget Committee, representatives from labor organizations and other interested

Memo to Budget Committee
March 9, 1994

parties. The Office of the Chair of the Budget Committee therefore requests that this hearing be continued until the March 16, 1994 Budget Committee meeting, at which time the Mayor's Office should be able to present a final plan to the Budget Committee.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 2 - File 101-93-33.1

Department: Port of San Francisco

Item: Request for release of reserved funds for final engineering and design of modifications to tunnels #3 and #4 located in Bayview Hunters Point for purposes of accommodating double stack container rail cars.

Amount: \$140,000

Source of Funds: \$140,000 of a total of \$327,000 in fire insurance proceeds* previously reserved for preliminary engineering costs for the Port's Tunnel Project.

*These funds represent fire insurance proceeds to the Port for Pier's 30 and 32 which were damaged in a 1984 fire.

Description: On November 24, 1993, the Budget Committee approved a supplemental appropriation ordinance in the amount of \$2,325,362 to fund engineering, design and construction for development of the Port's Tunnel Project (File 101-93-33). The \$2,325,362 represented a portion of the total cost of the Tunnel Project, estimated at \$11,304,362. The balance of \$8,979,000, is to be funded out of Federal grant funds previously approved by the Board of Supervisors (File 144-93-5). The Tunnel Project consists of increasing the height clearance in two tunnels located in the Bayview Hunter's Point area, to allow for the movement of double stacked rail cars and the improvement of the existing tracks within the tunnels.

Of the total \$2,325,362 approved by the Budget Committee, an amount of \$2,149,974 was placed on reserve pending identification of MBE/WBE contractors and verification of costs for engineering and construction phases of the work (\$25,000 for a Rail Consultant, \$327,000 for reimbursement of preliminary engineering costs incurred by Southern Pacific and \$1,797,974 for construction). The \$327,000 for preliminary engineering costs was placed on reserve pending the submission of cost details for work already completed by Southern Pacific. The Port advises that they are currently in negotiations with Southern Pacific regarding payment of fees for these preliminary engineering services and resolution of other business and construction issues related to this project. Therefore, the Port advises that, at this time, they do not anticipate needing the previously reserved funds of \$327,000 for preliminary engineering costs for at least six months.

Memo to Budget Committee
March 9, 1994 Budget Committee Meeting

The Port also advises that the Port originally anticipated obtaining final approval on \$6.5 million of the Federal grant funds from CALTRANS to proceed with the Tunnel Project, which would have allowed the Port to pay for final engineering and design services with these grant funds. However, the Port has experienced a delay in receiving a notice to proceed from CALTRANS. In order for the Port to meet its deadline for commencing construction on tunnels #3 and #4 in September 1994 (end of the Federal fiscal year as required by the Metropolitan Transportation Commission regarding grant funds), the Port cannot wait for final CALTRANS approval and must seek an alternative source of funds for final engineering and design services.

As stated previously, the reserved funds of \$327,000 for cost reimbursement of preliminary engineering services already completed by Southern Pacific are not expected to be needed by the Port for at least six months. Therefore, the Port is now requesting that \$140,000 of the \$327,000 in fire insurance proceeds initially reserved for preliminary engineering costs be released for the second phase of a contract with Svedrup Civil Inc. The first phase of the contract, in the amount of \$66,500, paid with funds previously appropriated by the Board of Supervisors (File 101-93-33), consisted of developing a construction cost estimate for tunnels #3 and #4.

Budget: Contractual Service - Svedrup Civil Inc.

Design and Plan Preparation

Field Surveys (207 hrs @ \$76 per hr.)	\$15,750
Plan Modification (Gauntlet track- 264 hrs. @ \$61.65 per hr.)	16,275
Plan Modification (Bayshore Yard-72 hrs. @ \$55.71 per hr.)	4,011
Plan Preparation (San Francisco Bridge-80 hrs. @ \$62.68 per hr.)	5,014
Plan Preparation (Oakdale Avenue Overpass and Quint St. Overpass 290 hrs. @ \$65.10 per hr.)	18,879
Plan Preparation (Centralized Traffic Control System- 90 hrs. @ 56 per hr.)	<u>5,040</u>
Subtotal	\$64,969

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Budget Committee
March 9, 1994 Budget Committee Meeting

Project Management (296 hrs. @ \$89.45 per hr.)	\$26,478
--	----------

Contract Specifications (244 hrs. @ \$67.45 per hr.)	16,458
---	--------

Operating Costs

Travel & Lodging (2 employees to travel from St. Louis)	\$7,000
--	---------

Computer Aided Drafting Time	10,000
------------------------------	--------

Printing	500
----------	-----

Computer Time	500
---------------	-----

Computer Aided Drafting Plans	300
-------------------------------	-----

Computer Aided Drafting Mylars	600
--------------------------------	-----

Miscellaneous	<u>500</u>
---------------	------------

Subtotal	19,400
----------	--------

Contingency (10%)	<u>12,695</u>
-------------------	---------------

Total	\$140,000
-------	-----------

Comment:

1. According to Mr. Cliff Jarrard of the Port, during the course of providing preliminary engineering services, Southern Pacific subcontracted a portion of the work to Svedrup Civil Inc. Subsequently, in 1992, the Joint Powers Board (JPB) bought the subject train tracks that run through tunnels #3 and #4 from Southern Pacific. At this point, Southern Pacific (who had been developing contract and design specifications based on having construction services provided by Southern Pacific employees) advised the Port to contract directly with Svedrup Civil Inc. to modify the existing plans and specifications for the public bidding process, according to Mr. Jarrard. Since Svedrup Civil Inc. was involved in the preliminary engineering work and was familiar with the project, they were chosen by the Port on a sole source basis to provide these final engineering and design services, according to Mr. Jarrard. Therefore, Mr. Jarrard reports that the proposed final engineering and design work was not subjected to an RFP or competitive review process.

2. According to Mr. Jarrard, Svedrup Civil Inc. is neither an MBE nor an WBE firm. Mr. Jarrard reports that Svedrup Civil Inc., is based in St. Louis, Missouri, and therefore the additional \$7,000 reflected above, are anticipated to be incurred for travel and lodging expenses. However, at the request of the Human Rights Commission, Svedrup

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Budget Committee
March 9, 1994 Budget Committee Meeting

Engineering has agreed to subcontract 11.3% of the contract to two local MBE firms (Georesource Consultants, and Acres Consulting Engineering, Inc.).

Recommendation: Approve the proposed request for release of \$140,000.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 3 - File 172-94-6

Department: Port of San Francisco

Item: Resolution authorizing the Port of San Francisco to hold the State of California harmless from all claims for damage or liability arising from the design and construction of work related to the Ferry Terminal Upgrade Project at Pier 1/2.

Description: The Ferry Terminal Upgrade Project at Pier 1/2 is an approximately \$9 million project of the Port to design and construct additions and improvements to the North Commuter Ferry Terminal. The major source of funds for this Project will come from the State, through its sale of bonds under Proposition 116, the Clean Air and Transportation Improvement Act (passed by California voters in June, 1990).

The agreement that governs the disbursement of funds from the State to the Port is the Fund Transfer Agreement. As part of that Agreement, and in order for the Port to obtain the available grant funds, the Port must indemnify the State for any claims for damage or liability that might result from the design and construction of this Project.

Comments: 1. According to Ms. Veronica Sanchez of the Port, State Proposition 116 only contains funds for design and construction projects and does not include sufficient funds for legal or other fees that may arise from potential lawsuits concerning the design or construction of these projects. Therefore, Ms. Sanchez reports that the State is requiring that all recipients of State Proposition 116 funds hold the State of California harmless from all claims for damage or liability arising from the design and construction work that is financed with these funds.

Ms. Sanchez also reports that all of the design and construction work related to the Ferry Terminal Upgrade Project at Pier 1/2 will be conducted by outside contractors. Furthermore, Ms. Sanchez notes that the Port includes indemnification provisions in each of its design and construction contracts, such that if a design defect occurred or if construction work was found to be faulty, the ultimate liability should reside with the contractors who conducted that work.

2. Ms. Julie Van Nostern of the City Attorney's Office reports that the proposed hold harmless clause has been reviewed and approved as to form. Ms. Van Nostern reports that the City's interest is protected because the design and construction contractors have been and will be required to enter into indemnity agreements and to provide the necessary liability insurance.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Item 4 - File 161-92-4.2

Department: San Francisco Redevelopment Agency (SFRA)

Item: Request for release of reserved funds in the amount of \$129,000 for the Hunters Point Shipyard.

Amount: \$129,000

Source of Funds: 1992 Tax Increment Bond Funds

Description: Hunters Point Shipyard, located in the southeast corner of the City, consists of 522 acres of land. The Shipyard is currently owned by the Navy but has been identified by the Federal Base Realignment and Closure Commission (BRAC) for closure. The City was granted the opportunity to lease 260 acres of the Shipyard for 30 years. The SFRA has, over the last two years, served as the lead City entity in the negotiations with the Department of the Navy for the lease of the Hunters Point Shipyard. These negotiations have resulted in a Memorandum of Understanding (MOU) that sets forth the conditions under which the City would acquire future parcels of Shipyard land and assume the management responsibilities of the entire Shipyard.

The SFRA has also been designated by the Mayor's Office as the lead City agency in planning the reuse of the Shipyard. A letter of agreement between the SFRA and the Planning Department was approved by the Redevelopment Commission and the Planning Commission. This letter of agreement specifies that the Department of City Planning will provide 12 months of land use planning, environmental review and urban design to develop a Conceptual Master Plan for the entire Hunters Point Shipyard, and a specific Development Plan for Parcel 'A'. This agreement specifies that the SFRA will fund 3.0 existing FTE professional planning positions in the Department of City Planning for twelve months beginning in December of 1993.

During the FY 1992-93 budget process, the Board of Supervisors placed \$129,000 on reserve in the SFRA's budget to fund services provided by other City departments to the SFRA related to the Hunters Point Shipyard pending submission of expenditure details. The SFRA is requesting that the \$129,000 be released to partially fund the following 3.0 existing FTE Planning Department positions:

BOARD OF SUPERVISORS
BUDGET ANALYST

<u>Position</u>	<u>FTE</u>	<u>Amount</u>
Planner II	1.0	\$46,980
Planner III	1.0	55,724
Planner IV	<u>1.0</u>	<u>66,111</u>
Subtotal Salaries	3.0	\$168,815
Fringe Benefits @ 25%	—	<u>42,204</u>
Total	3.0	\$211,019

Funding Sources

Requested Release of Reserve	\$129,000
SFRA FY 1993-94 Budget	<u>82,019</u>
Total Funding Sources	\$211,019

As described above, the total cost to the SFRA to fund the 3.0 FTE Department of City Planning positions is \$211,019, of which \$129,000 would be funded with the requested reserved funds. The SFRA's FY 1993-94 budget includes monies to fund the remaining \$82,019.

Comment:

According to Ms. Martha Kessler of the Department of City Planning, the existing 3.0 FTE City Planning positions to be funded by the SFRA are currently funded through the City's General Fund. Ms. Kessler reports that the \$211,019 in SFRA funding will be used to offset the General Fund in the Department of City Planning's budget for the 12 month duration of the agreement. As previously noted, this agreement began in December of 1993. Thus, the General Fund portion of the Department of City Planning's budget will be offset by approximately \$123,095 (7 months funding) in FY 1993-94 and by approximately \$87,924 in FY 1994-95 (5 months funding). The SFRA will make payments to the Department of City Planning on a quarterly basis. The first payment will be due in March of 1994.

Recommendation: Release the reserved funds.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 5 - File 100-94-5

Department: Board of Supervisors

Item: Hearing to consider the FY 1994-95 Budget request of the Board of Supervisors.

Description: This is a hearing to consider the proposed FY 1994-95 overall budget request for the Board of Supervisors totalling \$5,617,712. This request includes \$5,063,061 for the Board of Supervisors, \$271,960 for the Assessment Appeals Board, \$150,000 for the Telecommunications Policy Committee and \$132,691 for the Delinquency Prevention Commission.

A detailed copy of the proposed budget request is contained in the Clerk of the Board's file.

Comments: At the direction of the Budget Committee, a detailed review of the Board of Supervisors FY 1994-95 budget will be conducted by the Budget Analyst when the Mayor's recommended FY 1994-95 Budget is presented to the Board of Supervisors in June, 1994. As directed by the Chair of the Budget Committee, as part of this review, the Budget Analyst will also conduct a Zero Base Budget analysis of the Board of Supervisors FY 1994-95 budget.

Items 6, 7 and 8 - Files 93-94-6, 64-94-3 and 64-94-4

Departments: Real Estate Department
Chief Administrative Officer (CAO)

Items: Item 6, File 93-94-6 - Resolution, which represents an Amendment of the Whole, authorizing the Director of Property to enter into a Memorandum of Understanding (MOU) with the War Memorial Board of Trustees, for the temporary relocation of the Mayor, the Board of Supervisors, the Law Library, and possibly certain functions of the City Attorney, to the War Memorial Veterans Building.

Item 7, File 64-94-3 - Resolution, which represents an Amendment of the Whole, authorizing a lease of real property at 633 Folsom Street for the temporary relocation of the Municipal and Superior Courts, Court-related Administrative Divisions, and other City departments and operations as follows: the Registrar of Voters, the Sheriff and the Reproduction/Mail operations of the Purchasing Department.

Item 8, File 64-94-4 - Resolution, which represents an Amendment of the Whole, authorizing a lease of real property at 875 Stevenson Street, commonly known as the San Francisco Mart (Mart II) for the temporary relocation of the following other City departments and operations currently located at City Hall: the Assessor, the Treasurer, the Tax Collector, the County Clerk Recorder, the Controller, the Purchaser, the Department of Public Works, the Chief Administrative Officer, Civil Service, the Human Resources Department, Transportation/Communication operations, Convention Facilities operations, and Permit Appeals operations.

Amount: \$37,946,383

Source of Funds: 1990 Earthquake Safety Program Bond Funds (Phase II)

Description: The Department of Public Work's engineering consultants have advised the CAO that the seismic repair and retrofit to City Hall cannot be completed in phases with City employees occupying portions of the building as originally planned without jeopardizing the safety of the employees and other persons in the building, because the nature of the construction work to be performed on the building is such that it will render the building less stable and therefore more vulnerable to earthquakes of any magnitude during

BOARD OF SUPERVISORS
BUDGET ANALYST

the construction period. As such, the CAO has recommended relocating all City employees out of City Hall as soon as possible to facilitate an expeditious and cost effective seismic retrofit of City Hall. The Real Estate Department advises that all City Hall tenants are now planned to be relocated on or before January 1, 1995, but no later than March 31, 1995. The above-noted building sites to which the City Hall tenants are proposed to be relocated, were selected by the Real Estate Department in conjunction with the Department of Public Works, Bureau of Architecture and the City Hall Relocation Committee, which is composed of representatives of the CAO, the Real Estate Department, the Department of Public Works (DPW) Bureau of Architecture, the City Attorney, the Department of Electricity and Telecommunications, the Electronic Information Processing Steering Committee (EIPSC), the Controller's Information Services Division (ISD) and the Purchasing Department.

Item 6, File 93-94-6 - The proposed resolution is requesting authority for the Director of Property to enter into a Memorandum of Understanding (MOU) with the War Memorial Board of Trustees, for the temporary relocation of the Mayor, the Board of Supervisors, the Law Library and possibly certain functions of the City Attorney, to the War Memorial Veterans Building located at 401 Van Ness Avenue. This MOU would be for the period on or before January 1, 1995 (but no later than March 31, 1995) and would expire on December 31, 1997.

The Real Estate Department advises that the relocation plan provides for the Mayor, the Board of Supervisors, the Law Library, and possibly certain City Attorney functions (see Comment 6 below) to be relocated from City Hall to the third and fourth floors of the War Memorial Veterans Building, which comprises approximately 64,000 square feet. This space is currently being occupied by the Museum of Modern Art, which is scheduled to relocate to a new building in Yerba Buena Center between September and October of 1994.

The Real Estate Department reports that the War Memorial Board of Trustees, on February 10, 1994, adopted a resolution approving the City's temporary use of the third and fourth floors of the War Memorial Veterans building and has authorized the execution of a proposed MOU.

Under the proposed MOU, the City would reimburse the War Memorial Board of Trustees for actual costs associated with building operations (i.e., utilities, janitorial) specific to the City's use of the premises for the term of the MOU. The City will not pay any rental costs to the War Memorial for the use of this space. For purposes of budgeting, the Real Estate Department has estimated the City's building operations costs at approximately \$448,000 annually (\$7.00 per square foot per year or \$0.58 per sq. ft. per month x 64,000 square feet). The War Memorial Board of Trustees would continue to furnish all standard building services and utilities. Additionally, the proposed MOU would provide that the City shall complete, at its own cost, all tenant improvements necessary to the normal operation of the proposed City tenants. According to the Real Estate Department, although the War Memorial may derive some future benefit from the tenant improvements, the War Memorial was not requested to pay a share of these tenant improvement costs given that the City is not being charged rent for the use of this space. The Real Estate Department estimates that the City's tenant improvements at the War Memorial will cost \$1,449,625. The Real Estate Department estimates that the total building operations, tenant improvement costs, and all other relocation costs (including the move out and the return move to City Hall) shall not exceed a total amount of \$4,149,330. The Real Estate Department advises that the CAO had directed the Relocation Committee to keep the relocation project within the overall relocation budget of \$37,946,383. As such, according to the Real Estate Department, if the \$4,149,330 is exceeded, an attempt would be made to account for such increase within the existing budget by lowering the cost elsewhere in the budget. In any event, according to the Real Estate Department, any excess spending beyond the overall budget amount, would require further consideration by the Board of Supervisors.

Upon expiration of the MOU on December 31, 1997, the MOU also provides that the City shall have two options, to extend the MOU for periods of six months each and authorizes the Director of Property to exercise these options without subsequent approval by the Board of Supervisors. In the event that both options are exercised, the Real Estate Department estimates the total building operations costs would not exceed \$448,000 (\$7.00 per square foot per year x 64,000 square feet or \$224,000 for each six month option). It should be noted that these option costs are not included in the total not to be exceeded amount of \$4,149,330 noted above (see Comment 2 below).

BOARD OF SUPERVISORS
BUDGET ANALYST

The proposed MOU would also include a hold harmless clause, which would hold the War Memorial Trust and its Board of Trustees harmless against any and all claims, costs and expenses, including, without limitation, reasonable attorneys' fees, incurred as a result of the City's use of the premises, any default by the City in the performance of its obligations under the MOU or any acts or omissions on the part of the City with respect to the use of the premises.

Item 7, File 64-94-3 - The proposed resolution would authorize a lease of real property at 633 Folsom Street, between the City and the General Partnership of the Swig Investment Company, the Robert Haynie Family, the Adlai Stevenson Family and the Weiler Investment Company, for the temporary relocation of the Municipal and Superior Civil Courts, Court-related Administrative Divisions and other City departments and operations as follows: the Registrar of Voters, the Sheriff and the Reproduction/Mail operations of the Purchasing Department.

The Real Estate Department advises that the relocation plan provides for the Municipal and Superior Courts, the Court-related Administrative Divisions and the other City departments and functions noted above to be relocated from City Hall to the entire vacant building, located at 633 Folsom Street. This building contains seven floors, which total approximately 170,256 square feet of space.

Under terms of the proposed lease, which would commence on or about January 1, 1995 (but no later than March 31, 1995) and expire on December 31, 1997, the City would pay a base rental amount of \$212,820 per month (\$1.25 per square foot per month x 170,256 square feet). The total annual base rental amount would be \$2,553,840 (\$212,820 per/month x 12 months) or \$7,661,520 over the three year term of the lease. In addition to this base rental amount, the City would also pay for electricity totaling approximately \$504,864 over three years, bringing the total amount payable over the three year term of the lease to \$8,166,384 (\$7,661,520 rent plus \$504,864 electricity). Upon commencement of the proposed lease, the City would pay the landlord 18 months rent in advance, amounting to \$3,830,760 (see Comment 3 below). The landlord would be responsible for standard building services and utilities, except electricity, and the City would be responsible for electricity as noted above and janitorial services. The Real Estate Department advises that the City will provide its

own janitors with City employees at an estimated annual cost of \$224,738 (\$1.32 per square foot x 170,256 square feet). The Real Estate advises that these costs would be comparable to the costs incurred if these employees were still assigned to City Hall. The Real Estate Department reports that the City is assuming responsibility for the janitorial services in order to retain the janitorial positions currently assigned to City Hall.

The proposed lease also provides that the landlord shall complete all building code improvements required for the City's occupancy at the landlord's expense. The landlord shall also complete all tenant improvements on behalf of the City and be financially responsible for up to \$1,532,304 or up to 22.7 percent of such tenant improvement costs. The Real Estate Department estimates the total cost of tenant improvements at \$6,744,964, of which the City's share of costs will be approximately \$5,212,660 or 77.3 percent. The Real Estate Department states that in general, for a typical long term lease, the landlord's share of tenant improvements would range from \$25 to \$35 per square foot. The Real Estate Department advises however, that because this lease is short term and is not typical with regard to the base improvements required to bring the building up to code, the landlord's share of tenant improvements is only \$9 per square foot. According to the Real Estate Department, the following factors were taken into consideration in negotiating the landlord's share of cost: (1) the base improvements, which are to be paid by the landlord, are estimated to be significantly higher than the norm (2) given the short term of the lease, the landlord will not be able to take advantage of amortizing tenant improvement costs over a long term period and (3) a considerable portion of the tenant improvements will be unique to the City's use and as such will have little if any residual benefit to the landlord once the City vacates the premises. The Real Estate Department adds that, as of the writing of this report, the landlord was in the process of preparing an estimate of base improvements costs which was not available at this time.

The Real Estate Department estimates that the City's total rent, its share of tenant improvements and all other relocation costs (including the move out and the return move to City Hall) shall not exceed a total cost of \$15,880,576. The Real Estate advises the CAO has directed the Relocation Committee to keep the relocation project within the overall relocation budget of \$37,946,383. As such according to the Real Estate Department, if the \$15,880,567

BOARD OF SUPERVISORS
BUDGET ANALYST

is exceeded, an attempt would be made to account for such increase within the existing budget by lowering the costs elsewhere in the budget. In any event, according to the Real Estate Department, any excess spending beyond the overall budgeted amount, would require further consideration by the Board of Supervisors.

Additionally, the proposed lease provides that the City shall have two options to extend the lease for periods of six months each and authorizes the Director of Property to exercise these options without subsequent approval by the Board of Supervisors. In the event that both options are exercised, the Real Estate Department estimates in the proposed resolution that the total rent for both of the option periods shall not exceed \$2,553,840 (\$212,820 base rent per month x 12 months or \$1,276,920 for each six month option). It should be noted that these option costs are not included in the total not to exceed amount of \$15,880,576 (see Comment 2 below)

Item 8, File 64-94-4 - The proposed resolution would authorize a lease of real property at 875 Stevenson Street, commonly known as the San Francisco Mart (Mart II) for the temporary relocation of the following other City departments and operations currently located at City Hall: the Assessor, the Treasurer, the Tax Collector, the County Clerk Recorder, the Controller, the Purchaser, the Department of Public Works, the Chief Administrative Officer, Civil Service, the Human Resources Department, Transportation/Communication operations, Convention Facilities operations and Permit Appeals operations. The owner of the 875 Stevenson Street building is Western Merchandise Mart.

The Real Estate Department advises that the relocation plan provides for the above-noted City departments and operations to be relocated from City Hall to floors 1, 2, 3, 4, and 5 of the ten floor building. In total, these five floors contain approximately 175,000 of which the City will occupy 150,000 square feet, plus or minus 15 percent depending upon the amount of space needed by the City.

Under the terms of the proposed lease, which would commence on or about January 1, 1995 (but no later than March 31, 1995) and expire on December 31, 1997, the City would pay a base rental amount of approximately \$186,000 per month (\$1.24 per square foot per month x 150,000 square feet). The total annual base rental amount would be \$2,232,000 plus or minus 15 percent (\$186,000 per/month x

BOARD OF SUPERVISORS
BUDGET ANALYST

12 months) or \$6,696,000 over the three year term of the lease plus or minus 15 percent. In addition to the base rental amount, the City would also pay a total of approximately \$150,000 in electricity costs, bringing the total amount to be paid over the three year term of the lease to \$7,146,000 (\$6,696,000 rental plus \$450,000 electricity). Upon commencement of the proposed lease, the City would pay the landlord 18 months rent in advance, amounting to approximately \$3,348,000 (see Comment 3 below). The landlord would be responsible for standard building services and utilities except electricity and the City would be responsible for electricity as noted above and janitorial services. According to the Real Estate Department the City will provide its own janitors with City employees at an estimated annual cost of approximately \$198,000 (\$1.32 per square foot x 150,000 square feet). The Real Estate Department reports that these costs would be comparable to the costs incurred if these employees were still assigned to City Hall. The Real Estate Department reports that the City is assuming the cost of the janitorial services in order to retain the janitorial positions currently assigned to City Hall.

The proposed lease also provides that the landlord shall complete all building code improvements required for the City's occupancy at the landlord's expense. The landlord shall also complete all tenant improvements on behalf of the City and be financially responsible for up to \$1,350,000 or 27.7 percent of such tenant improvement costs. The Real Estate Department estimates that the tenant improvements will cost a total of \$4,870,974, of which \$3,520,974 or 72.3 percent would represent costs to the City. The Real Estate Department negotiated the City's share of these tenant improvements based on the same factors noted above for the 633 Folsom street lease. Like the 633 Folsom lease, this lease is a short term lease and the base improvements, which would be paid for by the landlord, are expected to be significantly higher than the norm because the space is currently used for showrooms and will have to be converted to use as office space. The Real Estate Department reports that the landlord is in the process of estimating the cost for the base improvements and such estimate is not available as of the writing of this report.

The Real Estate Department estimates that the City's total rent, its share of tenant improvements and all other relocation costs (including the move out and the return move to City Hall) shall not exceed a total amount of

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Budget Committee
March 9, 1994 Budget Committee Meeting

\$14,567,992. As noted above, the Real Estate Department advises that these costs are not expected to be exceeded and in the event that they are, the Department would seek to lower other costs in the overall budget of \$37,946,383 to adjust for any such increase.

Additionally, the proposed lease provides that the City shall have two options to extend the proposed lease for periods of six months each and would authorize the Director of Property to exercise these options if necessary as determined by the CAO, without subsequent approval of the Board of Supervisors. In the event that both options are exercised, the Real Estate Department estimates that the total rental costs would not exceed \$2,232,000 (\$186,000 base rent x 12 months or \$1,116,000 per each six month option . It should be noted that these option costs are not included in the total not to exceed amount of \$14,221,251 (see Comment 2 below).

Comments:

1. A summary of the Real Estate Department's total estimated costs of the MOU, and the two leases over the three year term and all other associated relocation costs is shown below:

	<u>War Memorial MOU</u>	<u>633 Folsom Lease</u>	<u>875 Stevenson Lease</u>	<u>Other Locations*</u>	<u>Total</u>
Moving Costs	\$406,500	\$435,000	\$412,000	\$13,000	\$1,266,500
Leasing Costs (three year term)	--	8,166,384	6,760,270	471,542	15,398,196
Building Operations (three year term)	1,323,945	--	--	--	1,323,945
Tenant Improvements	1,449,625	5,212,660	3,520,974	853,888	11,037,147
Computer Relocation	\$310,000	\$412,000	\$1,156,000	\$1,264,000	\$3,142,000
Telecommunications	284,000	443,000	1,648,000	1,016,000	3,391,000
Other Cost	<u>375,260</u>	<u>1,211,532</u>	<u>724,008</u>	<u>76,795</u>	<u>2,387,595</u>
Total	\$4,149,330	\$15,880,576	\$14,221,252	\$3,695,225	\$37,946,383

BOARD OF SUPERVISORS
BUDGET ANALYST

- * The other locations costs include the following City functions, which are not the subject of this report, which are in the process of being relocated from City Hall or have already been relocated: DPW basement storage, ISD, Department of Electricity and Telecommunications (Telephone Switch) and DPW Testing Lab. The total cost of the portion of the relocation project which is the subject of this report is \$34,251,158 (\$37,946,383 minus \$3,696,225).

2. The Real Estate Department advises that the MOU, the two leases and all associated relocation costs, totaling an estimated amount not to exceed \$37,946,383 will be entirely paid for by previously allocated 1990 Earthquake Safety Program, Bond Funds (Phase II). As noted above, the costs for the lease options totaling \$5,233,840 (\$448,000 for the War Memorial Veterans Building MOU, \$2,232,000 for the 875 Stevenson Street lease and \$2,553,840 for the 633 Folsom Street lease) are not included in the total estimated amount of \$37,946,383. The Real Estate Department reports that the reason these costs are not included is because the Relocation Committee does not anticipate actually having to exercise the options. According to the Real Estate Department the options were negotiated to safeguard against any unforeseen time delays. The Real Estate Department advises that costs associated with these options would be paid for by the Earthquake Bond Fund monies.

3. The Real Estate advises that it agreed to the 875 Stevenson Street landlord's request for an 18 month advance rent payment of approximately \$3,348,000 as a part of the lease negotiations which involved, among other considerations, the landlord agreeing to charge a lower rental rate to the City than the amount it originally intended to charge. The Real Estate Department could not provide any written documentation as to the amount of the rent which the landlord was originally requesting in contrast to the final agreed upon amount of rent. The Real Estate Department reports that the 18 month advance rent payment of \$3,830,760 provided for under the terms of the 633 Folsom Street lease was negotiated in order to make the terms of that lease consistent with those of the 875 Stevenson Street lease and to recognize the substantial upfront expenditure by both landlords to bring the base building up to building code standards for City occupancy. According to the Real Estate Department, there was a need to make the two leases consistent with respect to the prepayment of 18 months of rent. As of the writing of this report, the Real Estate Department was unable to provide sufficient specific written documentation to substantiate, to the satisfaction of the Budget Analyst, as to the need for the

BOARD OF SUPERVISORS
BUDGET ANALYST

City to provide either or both landlords with a prepayment of 18 months of rent.

4. As noted above, the CAO on being advised that the seismic repair and retrofit of City Hall could not be completed in phases with City employees occupying portions of the building as originally planned, recommended relocating all City employees out of City Hall as soon as possible in order to facilitate the most expeditious and cost effective seismic retrofit of City Hall.

5. The Real Estate Department reports that, in undertaking the task of locating suitable sites for the relocation of the City Hall employees, a major part of this effort was to (1) find sites which would be least disruptive to the individual City department's functions and operations and (2) which would be least disruptive to the inter-relationships of the various City departments and functions within the Civic Center area.

The Real Estate Department advises that the selection of the appropriate sites involved a multi-step process undertaken by the Real Estate Department and the DPW, Bureau of Architecture over approximately a year and a half period of time. The first step involved surveying numerous privately owned and publicly owned buildings in the City (in excess of 40 buildings). The Real Estate Department specifically evaluated the following three public buildings, the State building located at 525 Golden Gate Avenue, the Cal Trans building located at 150 Oak Street and the University of California, San Francisco building located at 3333 California Street. According to the Real Estate Department, after these buildings were evaluated, it was determined that these sites would require extensive rehabilitation in order to make them suitable for occupancy and the cost for such rehabilitation would have been prohibitive. The second step involved the Real Estate Department's issuance of a Request for Proposals (RFP) which targeted private building owners with buildings containing at least 150,000 square feet of contiguous available space. In response to the RFP, the Real Estate Department received 10 inquiries from building owners, of which six submitted lease proposals. Following the receipt of these proposals, the next step taken was to analyze the proposals to determine which sites met the criteria of being the most cost effective and at the same time provided the best opportunity for the City departments to continue to operate efficiently on an individual basis as well as in relationship to related City departments and functions in

the Civic Center area. According to the Real Estate Department, the three sites which were selected best met this criteria.

6. As noted above, the Real Estate Department has not yet determined whether certain functions of the City Attorney's Office will be relocated to the War Memorial. If these functions are not moved to the War Memorial they will be relocated to the 875 Stevenson Street site. As of the writing of this report, the City Attorney is now in agreement with the proposal to relocate the City Attorney functions in question to the War Memorial building.

7. The Real Estate Department reports that the total current occupied usable square footage in City Hall is 321,555 square feet and that the total usable square footage of space at the proposed three sites combined is approximately the same amount of square feet as City Hall. This usable square footage at the new sites excludes the approximately 48,233 square feet of common area at the new sites (i.e., halls, corridors, restrooms). However the precise documentation for the common space versus the usable space for both City Hall and the new sites has not been provided.

8. The CAO reports that he is in the process of negotiating with the Federal Emergency Management Agency (FEMA) regarding the level of funding which will be allocated to the City for the seismic retrofit of City Hall. The CAO advises that FEMA has hired its own Structural/Mechanical Engineers to make a determination as to the degree of construction work required to perform the necessary seismic retrofit of City Hall. According to the CAO, FEMA's allocation to the City may be based on its own engineers' determination as to the level of construction work required to implement the City Hall seismic retrofit. The FEMA funds would be used to off-set the bond funds earmarked for this project. The CAO states that it will be months before the City will receive notice from FEMA as to the amount of funds that will be allocated to this project. According to the CAO, it is likely that the total cost of the City Hall seismic retrofit will be considerably higher than the \$128 million bond amount originally allocated to this project due to an increase in construction and relocation costs. The funds to be appropriated for the seismic retrofit of City Hall would be the subject of separate legislation approved by the Board of Supervisors.

9. The Real Estate Department originally estimated that the relocation costs would total \$15.2 million or approximately \$22.7 million less than the current estimated costs of \$37.9 million. This represents over a 149 percent increase in costs.

10. After the Folsom Street lease ends, the Municipal and Superior Courts will be relocating to a new Courthouse on McAllister and Polk Streets. However, the future use of the third and fourth floors of City Hall, currently occupied by the Courts, has not been determined.

11. The Budget Analyst still has questions regarding (1) the necessity for the City to prepay 18 months of rent under both the Stevenson Street and Folsom Street leases and (2) the precise square footage requirements of usable versus common space in City Hall as compared to the proposed sites. Furthermore, given that the proposed site relocation expenses are now estimated to cost the City \$37.9 million, which is \$22.7 million or over 149 percent more than the \$15.2 million originally estimated, the Budget Analyst questions what impact this will have on the other seismic safety repairs that were originally anticipated. Given these questions and concerns, in the opinion of the Budget Analyst, these items should be continued, pending the submission of clarifying documentation regarding these matters.

Recommendation: The Budget Analyst recommends that the proposed items be continued by the Budget Committee. The Real Estate Department disagrees and recommends that these items be approved without any further continuance of the items.

Item 9 - File 47-94-5

Department: Department of Parking and Traffic (DPT)

Item: Resolution to increase parking rates at the City-owned Fifth and Mission Parking Garage facility.

Description: The San Francisco Parking and Traffic Commission has oversight responsibility for City-owned parking facilities. This responsibility includes reviewing annually the parking rates charged at City-owned garages and lots and making recommendations to the Board of Supervisors for changes in such parking rates. The Commission, as a result of their annual rate analysis, recommends an increase in the rates at the Fifth and Mission Garage. The hourly parking rates for the Fifth and Mission Garage were last increased in 1988, and the monthly rates were last increased in 1991.

The Commission approved a resolution on February 15, 1994, recommending that the Board of Supervisors approve the following rate increases at the City-owned Fifth and Mission Garage:

<u>Hourly</u>	<u>Current</u>	<u>Proposed</u>	<u>Percent Increase</u>
0-1	\$0.75	\$1.00	33%
1-2	1.25	2.00	60
2-3	2.50	3.00	20
3-4	4.00	5.00	25
4-5	5.50	8.00	45
5-6	7.00	10.00	43
6-7	9.00	12.00	33

<u>Monthly</u>	<u>Current</u>	<u>Proposed</u>	<u>Percent Increase</u>
Reserved Space	None	\$250.00	--
Reserved Area	None	200.00	--
Regular	\$130.00	150.00	15%

Comments: 1. Mr. Kevin Hagerty, Director of Off-Street Parking, reports that the 1992-93 average monthly gross receipts from the Fifth and Mission Garage was approximately \$331,333 or approximately \$3,976,000 annually. Mr. Hagerty advises that the DPT estimates that the proposed parking rate increases

BOARD OF SUPERVISORS
BUDGET ANALYST

would result in an estimated increase in the Garage's FY 1993-94 monthly gross receipts of approximately \$129,167, or approximately \$1,550,004 annually. This would increase the Fifth and Mission Garage's annual gross receipts from approximately \$3,976,000 to \$5,526,004.

2. According to Mr. Hagerty, the Fifth and Mission Garage recently completed Phase I of its seismic retrofit and expansion project (creating 840 new spaces). This \$20,500,000 for the project involved the use of Downtown Parking Corporation Reserve Funds, a transfer of reserve funds from the Uptown Parking Corporation and the sale of \$15,800,000 in Downtown Parking Revenue Bonds, Series 1993. Mr. Hagerty advises that the bond financing requires that the City set rates to generate sufficient funds to cover debt services. Mr. Hagerty advises that if the proposed rate increases are approved, based on the estimated \$5,526,004 in gross receipts, and after the payment of the parking tax (\$1,092,084), gross receipt tax (\$1,108,480), operating expenses (\$1,575,000) and bond payment (\$1,321,065), the proposed rate increases would result in an estimated \$429,375 in net revenue annually. Mr. Hagerty advises that during the seismic retrofit construction and expansion of the City-owned Fifth and Mission Garage, since the garage could not generate sufficient revenues, funds were provided in the project financing plan to cover the bond payments. However, now that this construction has been completed, the City-owned Fifth and Mission Garage must generate sufficient revenues to cover these costs, according to Mr. Hagerty.

3. According to Mr. Hagerty, the estimated annual net revenue of \$429,375 would be allocated towards funding Phase II of the City-owned Fifth and Mission Garage renovation project. Mr. Hagerty reports that the estimated annual net revenues of \$429,375 would be placed in a reserve fund until sufficient monies are accumulated to pay for Phase II work which is estimated to cost approximately \$1.2 million. The Phase II work involves the renovation of the Mission Street facade of the parking structure. Mr. Hagerty advises that the City-owned Fifth and Mission Garage is leased to the Downtown Parking Corporation which is a non-profit corporation designed for the purpose of financing the garage's construction. Mr. Hagerty further advises that upon completion of Phase II work, the Downtown Parking Corporation will begin remitting 85% of the annual net revenues (keeping the remaining 15% for capital improvements) generated by the City-owned Fifth and Mission Garage to the City, in accordance with the current lease agreement between the Downtown Parking Corporation and the City.

4. A comparison of parking rates at other nearby garages is attached. This table, from a November 1993 Budget Analyst Audit report of the Department of Parking and Traffic shows that not only are the existing rates at the City-owned Fifth and Mission Garage lower than surrounding private garages, but they are also lower than surrounding City-owned garages. If the proposed rates are approved, the rates at the City-owned Fifth and Mission Garage would still be lower than surrounding private garages, and would be roughly equal to rates at nearby City-owned garages.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Table 2.2: Comparative Rates-Central District and Surrounding Areas

	Non-Profit Garages				Direct Operation Garages			Private Garages	
	Sutter-Stockton Garage	Fifth & Mission Garage	Ellis-O'Farrell Garage	Union Portsmouth Square Garage	St. Mary's Garage	Golden Gateway Garage	North of Market Moters	Average of No. of Market Private Garages	Range of No. of Market Private Garages
1 Hour	\$1.00	\$0.75	\$1.00	\$1.00	\$2.00	\$3.00	\$1.50	\$4.70	\$1.20-\$6.75
2 Hours	2.00	1.25	2.00	2.50	3.75	6.00			
3 Hours	3.00	2.50	3.00	4.50	7.00	9.00			
4 Hours	5.00	4.00	5.00	7.00	9.00	12.00			
5 Hours	8.00	5.50	8.00	9.00	11.00	15.00			
6 Hours	11.00	7.00	11.50	11.50	15.00	18.00			
7 Hours/Max	14.75	9.00	14.75	14.25	16.50	18.00		17.05	12.00-25.00
Monthly	250.00	130.00	250.00	260.00	310.00	260.00		277.13	200-385
Early Bird	9.00			8.50	10.00	12.00		12.44	

Table 2.3: Parking Rates of Remaining City-Owned Garages and Surrounding Meter Rates

	Non-Profit Garages			Direct Operation Garages				
	Civic Center Garage	Japan Center Garage	Lombard Garage	Mission-Bartlett Garage	Moscone Garage	Performing Arts Garage	Polk-McAllister Parking Lot	7th & Harrison Parking Lot
1 Hour	\$1.00	\$0.75	\$0.75	\$0.50	\$1.00	\$1.00	\$2.00	\$1.50
2 Hours	2.00	1.50	1.50	1.25	2.50	2.00	3.50	2.50
3 Hours	3.25	2.75	2.50	2.00	4.00	3.50	4.50	3.75
4 Hours	4.50	4.00	4.25	2.75	5.50	5.00	5.50	5.00
5 Hours	6.00	5.00	5.50	3.50	7.00	6.50	7.00	6.25
6 Hours	7.50	6.00		4.25	9.00	8.00	9.00	
7 Hours	9.00	7.00		5.00	12.00	8.00	9.00	
8 Hours		8.50						
Monthly	156.25	100.00	75.00	75.00	145.00	115.00		
Early Bird		5.50			7.00			

Sources: San Francisco Department of Parking and Traffic; Cushman and Wakefield "Central Business District Parking Survey 1993"

Item 10 - File 101-93-85

Department: Police

Item: Supplemental appropriation of Narcotics Forfeiture and Seizure monies for narcotics abatement and investigation by the Police Department and District Attorney's Office

Amount: \$386,700

Source of Funds: Narcotics Forfeiture and Asset Seizure Fund

Description: 1. The Narcotics Forfeiture Fund is supported by seized assets and can only be expended for drug abatement activities. When the original 1993-94 budget was adopted, available funds were insufficient to fund the full annual cost of the Police Department's Narcotics Enforcement Unit and related District Attorney services paid for by the Police Department by work order. This supplemental appropriation funds certain operating costs, as described under point 3 below) for the second six months of 1993-94 for the Police Narcotics Enforcement Unit and restores a portion, but not all, of the District Attorney's costs for related services (see comment 2). Because the appropriations are retroactive for costs that have already been incurred, the ordinance should be amended to provide for actions previously taken.

2. The proposed supplemental appropriation would also fund leasehold improvements for a new Tenderloin Task Force facility to replace the current rented site of 1 Jones Street (the Hibernia Bank Building; see comment 1).

3. The proposed budget for the following operating costs over the period January 1, 1994 through June 30, 1994 (except for the District Attorney's work order, see comment 2) is as follows:

Rent for storage of seized vehicles	\$ 7,200
Utilities, Telephone, and Janitorial Services for Egbert Street Housing Authority Property used for Narcotics Unit	62,000
Copy Machine, Supplies, Maintenance of Radio Equipment, telephones, pagers	7,000
Maintenance of seized vehicles used for investigations and maintenance of Department-owned Vehicles used by Narcotics Unit	35,000
Narcotics Contingent Fund ("Buy Fund") used for investigation of narcotics traffickers	35,500
Tenderloin Station Renovation	80,000
District Attorney Work Order	<u>160,000</u>
	\$ 386,700

BOARD OF SUPERVISORS
BUDGET ANALYST

Comments:

1. The Department of Real Estate reports that negotiations for the proposed new leased location of the Tenderloin Task Force have not yet been completed. Therefore, the \$80,000 appropriation for Tenderloin Task Force Station Renovation should be reserved pending final approval of the new lease and specification of costs for the \$80,000 proposed expenditures. The location of the proposed facility is 25 Taylor Street.

2. The work order to the District Attorney is to fund the four positions listed below to provide night shift District Attorney services in order to reduce jail overcrowding and conduct asset seizures in accordance with the law. The total annual fiscal year 1993-94 cost for salaries and fringe benefits for these personnel is \$403,853. However, the District Attorney has agreed to provide the services for the reduced amount of \$396,979. The \$160,000 portion of the \$386,700 supplemental appropriation request for the District Attorney will increase the total work order for these services to only \$310,000 since the amount of work order funds appropriated for services of the District Attorney in the original 1993-94 budget was \$150,000. Ms. Linda Klee, Chief Deputy District Attorney, has informed the Budget Analyst that additional monies are anticipated and that another supplemental appropriation in the amount of \$86,979 (\$396,979 less \$310,000) will be submitted to fund these services.

**District Attorney Work Order for Narcotics Forfeiture
and Asset Seizure**

	<u>Salaries</u>	<u>Fringe Benefits</u>
1 8181 Assistant Chief Attorney	\$110,821	\$16,310
2 8180 Principal Attorney	196,272	30,360
<u>1</u> 8132 Assistant Investigator	<u>41,446</u>	<u>8,644</u>
4 Total	\$348,539	\$55,314
Total Fiscal Year 1993-94 Expenditure Requirements for Salaries and Fringes	\$403,853	
Cost of Services to be Provided	\$396,979	
Less Funds Available Including this Supplemental Appropriation	<u>310,000</u>	
Deficiency	\$86,979	

According to Ms. Klee of the District Attorney's Office, if the requested funds for the District Attorney's services are not approved, the City's ability to acquire additional Narcotics Forfeiture and Asset Seizure funds will be impaired.

3. The Controller's Office reports that, as of December 31, 1993, the balance of the Police Department's portion of the Narcotics Forfeiture and Asset Seizure Fund allocated to the Police Department is \$330,057 or \$56,643 less than the amount of this supplemental appropriation. The Controller has certified availability of sufficient funds for this supplemental appropriation however in anticipation of the Police Department receiving additional allocations from the Fund over the remainder of the 1993-94 Fiscal Year.

- Recommendation:**
1. Amend the Supplemental Appropriation ordinance to reserve the \$80,000 requested for renovation of the Tenderloin Task Force leased facility until such time as a lease is finally negotiated and expenditure details for the \$80,000 request are submitted to the Board of Supervisors.
 2. Amend the proposed ordinance to provide for action previously taken.
 3. Approve the proposed ordinance as amended.

Item 11 - File 101-93-88

Departments: Fire Department
Department of Public Works (DPW)

Item: Supplemental appropriation ordinance for capital improvement projects for the Fire Department.

Amount: \$1,400,000

Source of Funds: Interest earned on 1989 Earthquake Safety Bond Program, Phase One Bonds

Description: In November, 1989 the electorate approved the Earthquake Safety Bond Program, Phase One (ESP I), in the amount of \$59,700,000. Funds from the ESP I Bonds were necessary for seismic upgrades, asbestos abatement, disabled access and facilities improvements for buildings and facilities of the Fire Department, the Fine Arts Museums, the Asian Arts Museum, the Academy of Sciences, Laguna Honda Hospital and the Department of Public Works. There have been four sales of ESP I Bonds totaling \$48,600,000 since 1990.

The proposed supplemental appropriation ordinance would appropriate accumulated interest earned on bond proceeds between the time that the bonds were sold and the time that the proceeds were actually expended. The proposed \$1,400,000 supplemental appropriation from such interest earned would provide additional funds for eight ESP I Bond projects.

Budget: The eight projects totaling \$1,400,000 at seven Fire Stations and the Ashbury Tank House are as follows:

Ashbury Tank House (17th and Clayton Sts.)

This project includes repainting the 500,000 gallon capacity water tank and installing a water back-flow preventer device to the facility (the back-flow preventer device would prevent water in the tank from flowing back into the City's drinking water supply that is used to fill the tank). Asbestos would be removed from the pump house. The Board of Supervisors previously appropriated \$314,266 for seismic improvements to the Ashbury Tank House. The proposed supplemental funding of \$41,847 would bring the total project cost to \$356,113.

Design/Engineering	\$3,700
Construction Services	3,300
Construction (Asbestos abatement, back-flow preventer, paint water tank)	<u>34,847</u>

Total Additional Ashbury Tank House Costs	\$41,847
---	----------

Fire Station 11 (3880 26th St.)

A recent seismic evaluation study prepared by the consulting engineering firm of EQE recommended additional seismic strengthening for Fire Station 11. Also, a material used in the original construction of Fire Station 11 that contains asbestos should be removed to protect the health and safety of the building users. The Board of Supervisors previously appropriated \$945,259 for seismic improvements to Fire Station 11. The proposed supplemental funding of \$375,073 would bring the total project cost to \$1,320,332.

Design/Engineering	\$27,000
Construction Services	21,000
Construction (additional seismic strengthening and asbestos abatement)	<u>327,073</u>

Total Additional Fire Station 11 Costs	375,073
--	---------

Fire Station 15 (1000 Ocean Ave.)

The roof of Fire Station 15 needs to be replaced. The Board of Supervisors previously appropriated \$640,758 for seismic improvements to Fire Station 15. The proposed supplemental funding of \$69,300 would bring the total project cost to \$710,058.

Construction	\$63,000
Construction Contingency (10 %)	<u>6,300</u>

Total Additional Fire Station 15 Costs	69,300
--	--------

Fire Station 38 (2150 California St.)

The roof of Fire Station 38 needs to be replaced. The Board of Supervisors previously appropriated \$676,492 for seismic improvements to Fire Station 38. The proposed supplemental funding of \$57,200 would bring the total project cost to \$733,692.

Construction	\$52,000
Construction Contingency (10 %)	<u>5,200</u>

Total Additional Fire Station 38 Costs	57,200
--	--------

BOARD OF SUPERVISORS
BUDGET ANALYST

Fire Station 8 (3600 Bluxome St.)

Additional funds are needed due to recent design changes by the Fire Department for providing separate changing/locker rooms for male and female firefighters, dormitory renovations and additional electrical modifications for the emergency back-up power system. The Board of Supervisors previously appropriated \$1,450,000 for seismic improvements to Fire Station 8. The proposed supplemental funding of \$166,000 would bring the total project cost to \$1,616,000.

Design	\$5,000
Construction Services	28,000
Construction	<u>133,000</u>

Total Additional Fire Station 8 Costs	\$166,000
---------------------------------------	-----------

Fire Station 44 (1298 Girard St.)

Fire Station 44 was built in 1913. According to a ruling by the Landmarks Preservation Advisory Board, the Fire Department must retain this historically significant building rather than demolish it and construct a new facility as had been originally planned in the ESP I project. The complexity of the project has necessarily increased due to the historic preservation requirements in addition to constructing additional space, seismic upgrades and renovations. The Board of Supervisors previously appropriated \$1,854,000 for seismic improvements to Fire Station 44. The proposed supplemental funding of \$245,000 would bring the total project cost to \$2,099,000.

Design	\$50,000
Construction Services	54,500
Construction	<u>140,500</u>

Total Additional Fire Station 44 Costs	245,000
--	---------

Fire Station 24 (100 Hoffman Ave.)

Fire Station 24 is also subject to a ruling by the Landmarks Preservation Advisory Board regarding historic buildings. Therefore, historic preservation must be considered in constructing additional space at Fire Station 24, making seismic upgrades and renovating the existing building. The Board of Supervisors previously appropriated \$1,986,000 for seismic improvements to Fire Station 24. The proposed supplemental funding of \$101,000 would bring the total project cost to \$2,087,000.

Design	\$50,000
Construction Services	<u>51,000</u>
Total Additional Fire Station 24 Costs	\$101,000

Fire Station 31 (441 12th Ave.)

Funds are needed for additional construction costs, design and construction management fees. The Board of Supervisors previously appropriated \$2,505,000 for seismic improvements to Fire Station 31. The proposed supplemental funding of \$344,580 would bring the total project cost to \$2,849,580.

Design	\$47,700
Construction Services	105,880
Construction	<u>191,000</u>
Total Additional Fire Station 31 Costs	<u>344,580</u>

Total Proposed Supplemental Appropriation	\$1,400,000
---	-------------

Design and Construction Services in the above eight projects are being performed by the Department of Public Works, Bureau of Architecture. Construction would be performed by outside contractors.

Comments:

1. The DPW Bureau of Architecture (BOA) received three bids for the combination of the Ashbury Tank House project construction (\$34,847) and the Fire Station 11 project construction (\$327,073) and selected the joint venture of Gomez and Chapot as the low bidder (Gomez is an MBE firm). The BOA received three bids for the combination of the Fire Station 15 project construction (\$63,000) and the Fire Station 38 project construction (\$52,000) and again selected the joint venture of Gomez and Chapot as the low bidder. The construction (\$133,000) at Fire Station 8 will be performed by the joint venture currently renovating Fire Station 8, Cuevas and Manion (Cuevas is an MBE firm).

The bidding process for selecting the construction contractors for improvements to Fire Stations 44 (\$140,500) and 31 (\$191,000) have not been finalized. Therefore, the \$140,500 and \$191,000 for construction at Fire Stations 44 and 31 totalling \$331,500 should be reserved pending selection of the contractors and determination of MBE/WBE status.

2. According to the BOA, for most of the projects detailed above, the existing appropriations for contingencies are adequate to cover the additional improvements to be performed. Only the reroofing projects for Fire Stations 15 and 38 require additional appropriations for contingencies.

3. Ms. Diana Fitzpatrick of the City Attorney's Office advises that, although these projects were not previously anticipated in the Fire Department Bond Fund expenditures, the proposed uses for the \$1,400,000 supplemental appropriation comply with the requirements for expenditure of ESP I Bond funds.

4. The Capital Improvement Advisory Committee (CIAC) recommends approval of the proposed supplemental appropriation ordinance.

Recommendation: Amend the proposed ordinance to reserve a total of \$331,500 for construction at Fire Station 44 (\$140,500) and Fire Station 31 (\$191,000) pending selection of the construction contractors and determination of MBE/WBE status. Approve the proposed ordinance as amended.

Item 12 - File 101-92-60.4

Note: This item was continued at the March 2, 1994 Budget Committee Meeting. This item requests the release of the reserve on \$304,800. However, due to an arithmetical error, the Fire Department now requests the release of \$320,358 instead of \$304,800.

Departments: Fire Department
Department of Public Works (DPW), Bureau of Building Repair (BBR)

Item: Release of reserved funds for capital improvements at 22 Fire Stations and three other Fire Department facilities

Amount: \$320,358

Source of Funds: 1992 Fire Protection Bonds (Series 1993D)

Description: The Board of Supervisors previously approved a \$15,307,533 supplemental appropriation ordinance (File 101-92-60) to appropriate the proceeds of the Series 1993D issue of 1992 Fire Protection Bond funds. Of the \$15,307,533 appropriated, a total of \$379,300 was reserved for Facilities Condition Monitoring (FCM) capital improvements at 27 Fire Stations and four other Fire Department facilities. The \$379,300 total estimated cost of the FCM capital improvements was determined by a formula and not as a total of estimates of the actual, individual capital improvements to be made. Because the actual FCM capital improvements to be made and estimates of actual costs were not known when the supplemental appropriation was approved, the \$379,300 for FCM capital improvements was reserved pending selection of the actual capital improvements to be made and determination of the costs of those improvements.

Budget: The Fire Department requests the release of a total of \$320,358 of the previously reserved \$379,300 for FCM capital improvements including (a) \$68,848 for miscellaneous minor repairs that have already been completed by the BBR to various Fire Stations and Fire Department facilities and equipment (most repairs were less than \$500 each) and (b) \$251,510 for proposed repairs to 22 Fire Stations and two other Fire Department facilities to be performed by BBR, as follows:

MISCELLANEOUS REPAIRS ALREADY MADE

Plumbing Repairs	\$15,847
Replace Water Heater	3,318
Carpentry Repairs	4,540
Truck Repairs	21,310
Cement Repairs	4,880
Electrical Repairs	11,734
Mechanical Repairs	864
Glass Repairs	2,687
Lock Repairs	1,491
Painting	<u>2,177</u>

Total Miscellaneous Repairs \$68,848

PROPOSED REPAIRS

Fire Station 25 (3305 Third St.) \$8,200
Paint window frames, replace broken glass in skylight, replace roof access door, repair plumbing leaks, increase capacity of electrical system, repair light fixtures.

Fire Station 9 (2245 Jerrold Ave.) 9,000
Repair cabinets and shelves, replace battery charger for trucks, repair light fixtures, study to determine cause of low temperature in sleeping area (lack of proper insulation or furnace problems).

Fire Station 43 (720 Moscow St.) 7,400
Repair leaking fresh water and waste water pipes in restroom, repair light fixtures, seal brick exterior wall of building to eliminate leaks.

Fire Station 19 (390 Buckingham Way) 8,000
Realign warped wood window frames, repair ceiling damage caused by leaking pipes (pipes have already been repaired), install exhaust vent for gas clothes dryer, repair dining room heater, repair light fixtures.

Fire Station 26 (80 Digby St.) 13,000
Replace broken sidewalk, seal entire concrete building that has settled resulting in extensive cracking of the walls.

**Fire Station 49 (Fire Boat
Headquarters - Pier 22 1/2)** \$12,900
Replace damaged doors, replace deteriorated
wooden roof access hatch, clean clogged drains and
replace drain protective screens, increase capacity
of electrical power system,

Fire Station 33 (8 Capitol Ave.) 13,050
Reset and repair roof drains to eliminate roof
flooding, align doors to heating/air conditioning
equipment room, install hood and exhaust system
for kitchen stove, add more electrical outlets in
officers' sleeping areas, repair light fixtures, replace
steel doors to hose and utility storage rooms.

Fire Station 42 (2430 San Bruno Ave.) 7,500
Repair concrete floor, repair window hardware,
replace heater thermostat, replace rooftop exhaust
fan that draws air from three bedrooms

Fire Station 32 (194 Park St.) 4,500
Repair plumbing leak and resultant ceiling
damage, replace heater valves.

Fire Station 29 (299 Vermont St.) 1,800
Seal exterior wall of building, repair light fixtures.

Fire Station 39 (1041 Portola Dr.) 16,100
Repair hose drying structure, repair plumbing leak
and ceiling damaged by the leak, install a hood and
exhaust fan system for the kitchen stove, install
exhaust fan system for the bathroom, replace noisy
heaters (35 years old) that prevent Firefighters
from sleeping in adjacent dormitory area, repair
light fixtures.

Fire Station 28 (1814 Stockton St.) 5,500
Repair building's concrete foundation, replace
window glass, attach bookcase and cabinets to
floors and walls as an earthquake safety
precaution, install new electrical outlets.

Fire Station 41 (1325 Leavenworth St.) 12,500
Seal concrete wall and rear deck of building to
eliminate leaks and repair corresponding damage
inside building, replace grease trap and sump pump
in basement kitchen, repair pilot light on boiler,
replace heating system valves, repair light fixtures.

Fire Chief's Residence \$10,000
Attach cabinets to floors and walls as an earthquake safety precaution, repair wall damaged by moisture, install a water back-flow preventer on boiler, repair electrical and light fixtures, repaint front of building.

Fire Station 16 (2251 Greenwich St.) 7,500
Replace communications room door, repair skylights that are leaking, repair roof leaks, install an exhaust system for gas clothes dryer, increase capacity of electrical system to avoid overloads, repair hose hoist motor and wiring, repair electrical fixtures.

Fire Station 10 (655 Presidio) 7,310
Replace concrete sidewalk sections, repair leaks in rear retaining wall, apply sealant to wooden deck used for testing aerial ladders, replace gasket and seal in restroom, repair light fixtures.

Fire Station 34 (499 41st Ave.) 21,100
Apply sealant to exterior brick wall, repair and seal window frames, rebuild drainage gutter and hose drying shed roof to eliminate overflowing, repair leaking shower floor, attach cabinets to floors and walls, repair ceiling, replace unrepairable toilet, replace heater circulation pump and valves, install vent in heater flue system, install dedicated power line for communications radio, install larger diameter sewer pipe in kitchen area.

Fire Station 14 (551 26th Ave.) 22,800
Replace broken entry tile, replace concrete cover to underground vault for electrical power, repair leaks in window frames and replace floor tiles damaged by leaks, repair main apparatus door vents, replace roof access door, secure cabinets and shelves to floors and walls, repair firepole doors that allow truck exhaust fumes into dormitory areas, replace ventilation system exhaust flues on roof, replace wall exhaust fan unit in recreation room.

Fire Station 18 (1935 32nd Ave.) 13,600
Seal leaking exterior stucco walls, repair leaking window frames, repair leak in roof, clear blockage in wastewater plumbing, repair light fixtures, study erratic heating and ventilation system controls.

Fire Station 23 (1348 45th Ave.) \$11,950
Seal cracks in retaining wall, seal and paint crack in stucco exterior walls, replace broken window and frame, fasten cabinets to walls, unclog roof drain, repair and paint interior walls damaged by water leaks, install exhaust fan system in apparatus room.

Fire Station 12 (1145 Stanvan St.) 9,250
Replace broken sidewalk sections, repair wooden staircase, attach cabinets to walls, repair firepole doors, repair light fixtures.

Bureau of Training (2300 Folsom St.) 4,200
Replace broken sidewalk sections, repair and paint window frames, secure cabinets to walls.

Fire Station 20 (285 Olympia Way) 14,800
Replace broken sidewalk sections, unclog roof drains, attach cabinets, bookcases and locker to floors and walls, replace heater controls, replace exhaust fan in dormitory, replace boiler pump, repair electrical and light fixtures.

Fire Station 17 (1295 Shafter Ave.) 9,550
Patch concrete sidewalk, repair and paint damaged wooden gates, patch and seal cracks in concrete retaining wall, repair leaking windows, repair or replace support for large pump in boiler room, repair light fixtures.

Total Proposed Repairs **\$251,510**

Total Proposed Release of Reserve **\$320,358**

Comments:

1. As noted above, all of the miscellaneous repairs totaling \$68,848 have already been performed by the DPW Bureau of Building Repair, such that the release of reserve funds would be on a retroactive basis. The Fire Department temporarily used unspent monies in other accounts to make these miscellaneous repairs that were required immediately and could not be postponed until funding could be released. The other accounts that served as the temporary sources of funding for the Fire Department's immediate miscellaneous repair needs must be reimbursed with the monies that would be released.

Memo to Budget Committee
March 9, 1994

2. All of the proposed repairs totaling \$251,510 to the individual Fire Stations outlined above will be performed by the DPW Bureau of Building Repair.

Recommendation: Release reserved funding totalling \$320,358.

Memo to Budget Committee
March 9, 1994 Budget Committee Meeting

Item 13 - File 101-93-89

Department: Department of Public Works (DPW)

Item: Supplemental Appropriation Ordinance, appropriating \$23,980,000 and reappropriating \$2,200,000 from the Sunnydale Clean Water Project to allow the Department of Public Works to implement the third phase of the Rankin Pump Station and Southeast Water Pollution Control Plant (SEWPCP) Improvements projects for fiscal year 1993-94.

Amount: \$23,980,000

Source of Funds:	1988 Sewer Revenue Bonds	\$21,780,000
	Interest Earned on Bonds	<u>2,200,000*</u>
	Total	\$23,980,000

*These funds were originally appropriated for the Sunnydale Clean Water Project.

Description: The proposed supplemental appropriation request in the amount of \$23,980,000 would be used by the DPW for the third phase of the Rankin Pump Station and SEWPCP Improvements projects. The Rankin Pump Station is located on a portion of a block bounded by Evans Avenue, Rankin Street, Davidson Street and Quint Street. The SEWPCP is located at 750 Phelps Street.

The Rankin Pump Station and SEWPCP Improvements projects are major components of the long-range San Francisco Clean Water Program Bayside Construction Plan. According to the DPW, these facilities, along with the Islais Creek Transport Facilities, will correct the problem of wet weather combined sewage and rainwater overflow into the Bay at Islais Creek. The DPW advises that, at present, when rainfall exceeds about 0.02 inches per hour, the current sewer system capacity for containing the overflow is exceeded. According to the DPW, overflows to the Islais Creek Channel into the Bay occur on an average of 40 times per year, in violation of the San Francisco Regional Water Quality Control Board regulations.

The DPW reports that on June 15, 1998, the California Regional Water Quality Control Board adopted a Cease and Desist Order (No. 88-105) against the City and County of San Francisco. This Cease and Desist Order established a schedule for compliance for unfinished Wastewater projects in San Francisco and mandated the City to achieve

BOARD OF SUPERVISORS
BUDGET ANALYST

combined sewer overflow control on the Bayside by January 1, 1996.

The Board of Supervisors previously approved legislation adopting the Final Negative Declaration, which found that the Rankin Pump Station and SEWPCP Improvements projects would have no significant impact on the environment (File 53-91-5). The Board of Supervisors also previously approved legislation approving the DPW's facility plan for the construction of the Rankin Pump Station and the improvements to the SEWPCP (File 53-9-5.1). The work to be performed in the third phase of these projects involves the construction of a 140 million-gallon per day pretreatment facility (eliminates solid waste materials, such as cans, rags, and sand from the combined sewage and rainwater flow), a water/sewage control structure (includes constructing columns and foundations and installing pipes) and associated auxiliary systems (i.e., electrical and mechanical work) at the SEWPCP.

The supplemental appropriation in the amount of \$23,980,000 would be expended as follows:

Construction Contract	\$18,100,000
Construction Contingency (10%)	1,810,000
Construction Management (DPW)	1,991,000
Design Support (DPW)	1,394,000
Community Relations (Contract)	150,000
Consultant Services	60,000
Art Commission*	100,000
City Attorney**	50,000
Permits	75,000
Environmental Mitigation/Monitoring (DPW)	<u>250,000</u>
Total	\$23,980,000

* Pursuant to Section 3.13 of the Administrative Code, the Art Commission is entitled to receive up to two percent of the total project construction costs to be used to pay for public art in connection with the building to be constructed. The DPW advises that the Art Commission through negotiation with the DPW has agreed to an amount of \$200,000, \$100,000 of which is included in this request, for the public art work for the above noted pump station and water pollution control plant. The DPW advises that the remaining \$100,000 will be requested in the budget for the fourth phase of this project.

** The DPW advises that the \$50,000 earmarked for the City Attorney would be used to pay for as needed

Memo to Budget Committee
March 9, 1994 Budget Committee Meeting

services related to bids and associated legal documents (i.e., construction contracts) and to handle any claims which may arise in connection with the construction work to be performed. The DPW states that funds would be workordered to the City Attorney to pay for the services which are provided.

Comments:

1. The DPW reports that the Department's bid procedure to acquire a construction contractor is in process but the Department has not, as yet, selected the contractor to perform the necessary construction work. As such, the proposed legislation should be amended to place the \$18,100,000 earmarked for the construction contract plus the \$1,810,000 for construction contingency, for a total of \$19,910,000, on reserve pending information on the MBE/WBE statuses of the contractor and contract cost details. The DPW also reports that the Consultant Services noted above and Community Relations contract services are being provided by two firms which have on-going contracts with the DPW. The Consultant Services are being provided by the firm of Hydro-Consult Engineers Incorporated. This firm creates model replicas of sewer projects in order to test the adequacy of a proposed sewer modification prior to proceeding with the construction. Hydro-Consult Engineers Inc. is neither an MBE nor a WBE firm. The Community Relations contract services, which includes, handling construction related complaints from surrounding neighborhoods and affirmative action monitoring of construction contracts, would be provided by Business Development Incorporated, an MBE firm.

2. As noted-above, \$2,200,000 would be reappropriated from the Sunnydale Clean Water Project to be used to partially fund the third phase of the Rankin Pump and SEWPCC Improvements projects. The DPW advises that the Sunnydale Clean Water Project was completed on June 11, 1992.

Recommendation:

Amend the proposed resolution to place \$19,910,000 on reserve, pending the submission of information to the Board of Supervisors on (a) the MBE/WBE status of the construction contractor and (b) the contract cost details and approve the proposed resolution as amended.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 14 - File 101-93-90

Department: Agriculture/Weights and Measures

Item: Ordinance appropriating \$73,475 of unclaimed State Agricultural Gasoline Tax revenue for equipment purchases and services of other departments and transferring \$19,275 to the General Fund Reserve.

Amount: \$73,475

Source of Funds: Unclaimed State Agricultural Gasoline Tax Fund

Description: State law requires that Unclaimed State Agricultural Gasoline Tax funds be turned over to the State Department of Food and Agriculture who, in turn, is required to allocate these funds to local governments. The Unclaimed Agricultural Gas Tax is derived from Gas Tax revenues collected from agricultural vehicles that have not been driven on roads, such as tractors that remain on the farm. Farmers are entitled to request a refund for taxes paid on gasoline used in non-street agricultural vehicles. Gas Tax refunds that are not claimed are turned over to the State Department of Food and Agriculture.

The City's Department of Agriculture and Weights and Measures received \$189,475 in FY 1993-94 which is \$73,475 more than the \$116,000 which was originally budgeted. The proposed ordinance would appropriate the additional \$73,475 of the City's portion of the State's unclaimed Agricultural Gasoline Tax Fund. According to State law, these funds are to be used for agricultural purposes only. The Department of Agriculture proposes to use \$54,200 of the \$73,475 supplemental appropriation request to purchase equipment and supplies to improve service delivery. The remaining \$19,275 would be transferred to the City's General Fund Reserve.

Budget:	<u>Item</u>	<u>Amount</u>
	Compact pickup with shell and equipment racks to replace 1978 Dodge Van with body rot and bad engine & with 27,631 miles	\$14,500
	Compact pickup with cover to replace 1984 Chevette with extensive body damage and a faulty transmission, with 40,749 miles	14,000

BOARD OF SUPERVISORS
BUDGET ANALYST

<u>Item</u>	<u>Amount</u>
Portable electronic notebook computer-package auditor	\$15,000
Gasoline "trap tank" for existing undercover vehicle (to make test purchases at various gasoline stations)	1,500
Microscope and Eyepiece (for African Bee screening and other insect identification)	700
Four Compaq 486 Local Area Network (LAN) workstations	6,000
ISD LAN software support	<u>2,500</u>
Total Expenditures	\$54,200
Transfer to General Fund Reserve	<u>19,275</u>
Total Supplemental Appropriation Request	\$73,475

Comments:

1. The Department of Agriculture/Weights and Measures currently has three automobiles, two pickup trucks, one van and two heavy duty equipment trucks that are used by the Department's Inspectors on a daily basis. According to Mr. Dave Crowley of the Purchasing Department's Central Shops Division, the 1978 Dodge Van and the 1984 Chevy Chevette that the Department of Agriculture/Weights and Measures intends to replace with the requested two pick-up trucks are in extremely poor condition and should be replaced. Mr. Crowley reports that \$14,500 budgeted for the compact pickup with a shell and equipment racks and the \$14,000 budgeted for the compact truck with a cover were based on price quotations obtained from S & C Ford in San Francisco.
2. The requested portable electronic notebook would be used to conduct on-site audits of package weights. The electronic notebook would be attached to a scale to instantly record the weight of the package and compare that weight to the advertised weight listed on the package.
3. The four requested Compaq 486 Local Area Network(LAN) workstations and associated software support were included in the Department's approved FY 1993-94 EISPC plan.

BOARD OF SUPERVISORS
BUDGET ANALYST

4. Mr. Evan Weeth of the Department of Agriculture/Weights and Measures reports that the State will reduce funding in the following year if the City uses Unclaimed Agricultural Gas Tax monies for non-agricultural purposes. As previously noted, \$19,275 of the requested supplemental appropriation would be deposited into the City's General Fund Reserve. Mr. Weeth reports that depositing these funds into the City's General Fund Reserve would only slightly reduce the City's portion of Unclaimed Agricultural Gas Tax funds in FY 1994-95.

Recommendation: Approve the proposed ordinance.

Item 15 - File 101-93-91

Departments: Board of Supervisors

Item: Supplemental appropriation ordinance to conduct a zero-base budget analysis of the City's Fiscal Year 1993-94 budget.

Amount: \$225,000

Source of Funds: General Fund

Description: At the initiation of the Chair of the Budget Committee, the Board of Supervisors has previously approved a motion (see Attachment I) requesting subject funds for a zero-base budget analysis. Under the direction of the Chair of the Budget Committee and the Mayor, this analysis is to be conducted jointly by the offices of the Budget Analyst and the Mayor through a team effort as part of the 1994-95 budget process. Based on discussions with the Chair of the Budget Committee, the Mayor, and the Mayor's budget staff, the project is structured, as follows:

- The most experienced and highly qualified staff of the Budget Analyst have been assigned to the project in order to assure a quality product within the time constraints of the 1994-95 budget consideration and approval process. It is anticipated that the project will be completed by the end of April, 1994.
- The Zero Base budget analysis will be directed, in general, toward the largest General Fund departments in order to focus staff resources in the most productive manner.
- The Chair of the Budget Committee and the Mayor's Budget Director would receive status updates during the course of the Zero Base budget analysis.
- The final report resulting from this review would be issued to the Chair of the Budget Committee, the Board of Supervisors, and the Mayor. This report will identify any differences in recommendations between the Budget Analyst and the Mayor's Budget Director. The final report will be presented in sufficient time to enable the

BOARD OF SUPERVISORS
BUDGET ANALYST

Mayor's Office to consider including any of the report's recommendations in the Mayor's proposed Fiscal Year 1994-95 budget. The Chair of the Budget Committee will transmit a joint report containing the final report recommendations.

At the direction of the Budget Committee Chair and the Mayor, the zero-base analysis will cover 18 General Fund departments that, together, comprise approximately 88 percent of net General Fund expenditures based on the current 1993-94 revised budget (exclusive of debt service requirements, reserves, and capital/facilities maintenance appropriations). The selected departments are listed in Attachment II.

The purpose of the zero-base budget analysis is to determine the justification for all existing and any proposed new expenditures in the selected departments' budgets. Key assumptions in the zero-base analysis are:

- ☐ Departments will not necessarily receive their prior year's appropriation level.
- ☐ Department budgets must be justified in their entirety.
- ☐ Existing programs, positions and levels of expenditure are not assumed to be justified; all existing expenditures and positions will be reviewed.
- ☐ Any proposed new programs, expenditures, and positions will be similarly reviewed.

The \$225,000 in requested funds will be used to pay for an estimated 2,709 hours dedicated to this project by the Budget Analyst. The total project cost is derived by multiplying the estimated hours needed for the project by the hourly rates of the staff assigned to the project. Total project hours, hourly rates, and total costs by staff classification are presented in the table below.

BOARD OF SUPERVISORS
BUDGET ANALYST

**Zero Base Budget Analysis Hours and Costs by
Staff Classification**

Classification	Hours	Hourly Rates	Total Cost
Project Director	268	\$100	\$26,800
Senior Manager	206	120	24,720
Principal Analyst	1,877	80	150,160
Senior Analyst	<u>358</u>	65	<u>23,270</u>
GRAND TOTAL	2,709		\$224,950

A breakdown of the Budget Analyst's 2,709 hours by department and task is shown in Attachment III. These hours assigned to the departments and tasks are flexible and there may be changes in staff allocations based on further input and direction from either the Chair of the Budget Committee or the Mayor.

Comments:

1. In the professional judgment of the Budget Analyst, a detailed zero-base budget analysis of the City's General Fund budget should result in annual ongoing savings to the City significantly in excess of the one-time cost of \$225,000.

2. As previously reported to the Budget Committee and the Board of Supervisors, because time is of the essence in connection with the preparation of the Mayor's proposed 1994-95 budget, and submission of this budget to the Board of Supervisors with an anticipated completion date for this project is April 29, 1994, work began on this project after the attached motion (Attachment I) was approved by the Board of Supervisors on February 7, 1994.

Recommendation: Based on the previous policy decision of the Board of Supervisors to proceed with this project to conduct the Zero-Base Budget of the City's Fiscal Year 1994-95 Budget, approve the proposed ordinance.

BOARD OF SUPERVISORS
BUDGET ANALYST

M O T I O N

1 (Supplemental Appropriation)

2 DIRECTING THE CLERK OF THE BOARD TO SUBMIT A SUPPLEMENTAL

3 APPROPRIATION TO THE MAYOR FOR ^{\$225,000} FUNDS-NECESSARY TO DO A "ZERO

4 BASE" BUDGET ANALYSIS OF THE GENERAL FUND BUDGET OF THE CITY

5 AND COUNTY OF SAN FRANCISCO.

7 IT IS HEREBY MOVED, That the Clerk of the Board be and he

8 is hereby directed to submit a supplemental appropriation to

9 the Mayor appropriating ^{\$225,000} ~~the necessary~~-funds-to do a "Zero Base"

10 budget analysis of the General Fund Budget of the City and

11 County of San Francisco, consistent with the February 2, 1994, report and
12 attachments addressed to the Budget Committee by the Budget Analyst, and that
13 a report by the Budget Analyst to the Budget Committee is due by April 30, 1994.

Adopted - Board of Supervisors, San Francisco February 7, 1994

Ayes: Supervisors Alioto Bierman Conroy Hallinan Hsieh Kaufman
Kennedy Leal Maher Migden

Absent: Supervisor Shelley

I hereby certify that the foregoing motion
was adopted by the Board of Supervisors
of the City and County of San Francisco

John H. Kaufman
Clerk

File No.
69-94-1

BOARD OF SUPERVISORS HSIEH, ALIOTO, MIGDEN, MAHER, *Shelley, Leal*

Attachment II

General Fund Departments - 1994-95 Zero Base Budget Analysis

<u>Department</u>	<u>1993-94 Revised General Fund Budget</u>	<u>Percent of General Fund Subtotal</u>	<u>Cumulative General Fund Budget Amount</u>	<u>Cumulative Percent of General Fund Subtotal</u>
Police Department	\$170,890,465	22.28%	\$170,890,465	22.25%
Fire Department	108,251,962	14.11%	279,142,427	36.34%
MUNI Railway	100,868,782	13.15%	380,011,209	49.47%
Department of Social Services *	96,014,760	12.52%	476,025,969	61.97%
Sheriff	53,182,356	6.93%	529,208,325	68.89%
Community Mental Health	46,871,553	6.11%	576,079,878	74.99%
Community Public Health Services	36,442,615	4.75%	612,522,493	79.74%
San Francisco General Hospital	31,809,770	4.15%	644,332,263	83.88%
Superior Court	24,225,295	3.16%	668,557,558	87.03%
Juvenile Court	18,663,887	2.43%	687,221,445	89.46%
Municipal Court	18,661,157	2.43%	705,882,602	91.89%
Public Library	17,102,968	2.23%	722,985,570	94.12%
District Attorney	15,517,557	2.02%	738,503,127	96.14%
Public Defender	9,070,491	1.18%	747,573,618	97.32%
Treasurer-Tax Collector*	8,058,528	1.05%	747,573,618	98.37%
Assessor *	5,998,271	0.78%	753,571,889	99.15%
Laguna Honda Hospital	5,438,608	0.71%	759,010,497	99.86%
Recorder	<u>1,103,275</u>	0.14%	760,113,772	100.0%
General Fund Subtotal	\$768,172,300			

- * Unlike other departments to be reviewed, analysis of the Department of Social Services, the Assessor's Office, and the Treasurer-Tax Collector will be limited in focus. The Department of Social Services review would focus largely on the General Assistance program, other General Fund expenditures and the impact of restructuring required by the State budget. The review of the other departments will focus on revenue producing opportunities.

Allocation of Zero-Base Budget Analysis Tasks by Department

Attachment III: page 1

	Admin	PD	FD	Muni	DSS	Sher	DPH	Sup Ct	Juv Ct	Muni Ct	Lib	DA	PDef	Asses	TTC	Rec.	Total
1 Prepare descriptions and instructions for departments; design forms & set calendar	105																105
2 Review previous year's department budget; gather information about programs and services from budget & other documents		8	8	8	8	8	40	8	8	8	8	6	6	4	4	4	136
3 Conduct initial group & individual meetings with department heads/mgrs.	4	8	8	8	4	8	38	6	6	6	6	4	4	4	3	3	120
4 Meet with dept. head or inact officer; review org chart & develop detailed inventory of functions and programs. Develop groupings of functions into programs for analysis.																	
5 Review all programs and, with department finance officer, identify current costs of each.		10	10	10	4	10	32	8	8	8	8	6	6	4	4	4	132
6 Department prepares and provides key info. for each program: objectives; performance measures; 2 or 3 alternative ways to perform function. Budget staffs available to assist. All information is reviewed by Budget staffs. Further data requested if needed.		44	36	34	34	34	58	32	36	32	40	40	40	22	18	18	518

	Admin	PD	FD	Muni	DSS	Sher	DPH	Sup Ct	Juv Ct	Muni Ct	Lib	DA	PDef	Asses	TTC	Rec	Total
7 Dept selects preferred alternative and identifies various funding levels. Budget staffs collect and review.																	
		16	16	16	16	16	32	12	12	12	12	8	8	6	6	6	194
8 Dept managers review and rank programs. Budget staffs assist.		8	8	8	8	8	30	8	8	8	8	8	8	8	8	8	142
9 Joint Review of Consolidated Dept. Budget and Program Rankings	48	52	52	54	38	46	110	32	40	32	48	36	36	36	36	36	732
10 Exit conferences		8	8	8	8	8	32	8	8	8	8	8	8	8	8	8	144
11 Recommendations to Budget Committee	10																10
12 Finalize recommendations w/ Mayor's	14	8	8	8	8	8	24	8	8	8	8	8	8	8	8	8	150
13 Progress Meetings	20																20
Internal Project Meetings/Admin	90																90
TOTAL	291	178	170	170	144	162	444	134	146	134	158	134	134	108	101	101	2709

Item 16 - File 101-93-92

Department: Academy of Sciences, Steinhart Aquarium

Item: Supplemental Appropriation Ordinance, appropriating \$655,700, for a facilities maintenance project at the Academy of Sciences involving the repair of the Fish Roundabout tank at the Steinhart Aquarium and appropriating \$154,307 to the General Fund Reserve, and rescinding \$810,007 from a capital improvement project (City Hall roof and skylight repairs) at the Department of Public Works for fiscal year 1993-94.

Amount: \$810,007

Source of Funds: Capital Improvement Projects Fund (General Fund monies)

Description: The proposed supplemental appropriation would appropriate a total of \$810,007, including (a) \$655,700 which would be used for a facilities maintenance project at the Academy of Sciences involving the renovation of the Fish Roundabout tank and disabled access modifications to the Academy of Sciences' restroom facilities and other facilities (i.e., telephones and drinking fountains) and areas throughout the Academy of Sciences building, and (b) \$154,307, which would be reappropriated to the General Fund Reserve.

Of the \$655,700 requested for the Academy of Sciences, \$605,700 would be used to pay for the renovation of the Fish Roundabout tank and the remaining \$50,000 would be used to pay for the disabled access modifications noted-above. The Fish Roundabout tank is a circular viewing tank, containing numerous varieties of fish, which is approximately 66 feet in diameter. The Academy of Sciences reports that the Fish Roundabout tank has been operating continuously since 1977 and the gaskets supporting the tank structure are failing, which has resulted in leaks. According to the Academy of Sciences, these leaks are causing considerable damage to the tank and its surrounding area. Additionally, the Academy of Sciences is concerned that the faulty gaskets could result in the tank's viewing windows failing, which would cause flooding throughout the Academy of Sciences' building. The Academy of Sciences advises that thus far, the structural integrity of the building itself does not appear to be compromised, however, continued delay in the necessary repairs to the tank could result in structural damage, which would require major building repairs and much greater expense than that involved in just the repair of the tank and its surrounding area.

Memo to Budget Committee
March 9, 1994 Budget Committee Meeting

According to the Academy of Sciences, the disability access modifications would include disabled access path signage, an additional hand rail along the tank ramp, and modifications to pay phones, entrance doors, counters, restrooms and drinking fountains. The repairs to the Fish Roundabout tank would involve replacement of the faulty gaskets, corrosion repair, removal and replacement of acrylic windows, removal and repair of defective concrete in the roof beams, recoating of the surface of the surrounding floors, repair and replacement of filters, valves and pumps and removal and storage of the fish during the duration of the project.

The supplemental appropriation in the amount of \$655,700 for the repair of the Fish Roundabout tank and the disabled access modifications would be expended as follows:

Construction Contract	\$472,700
Construction Contingency (10%)	47,300
Plans and Specifications	5,500
Construction Management (DPW)	47,300
Study	4,500
Disabled Access Modifications	50,000
Removal/Maintenance of Fish	<u>28,400</u>
Total	\$655,700

Comments:

1. The Academy of Sciences reports that the contractors needed to perform the repair of the Fish Roundabout tank and the disabled access modifications have not, as yet, been selected. Additionally, the Academy of Sciences advises that the contractor has not yet been selected for the study. As such, the proposed legislation should be amended to place a total of \$574,500 (\$472,700 for Construction Contract, \$47,300 for Construction Contingency, \$50,000 for Disabled Access Modifications and \$4,500 for the Study) of the \$655,700 earmarked for the Academy of Sciences on reserve pending the Department's submission of information on the MBE/WBE status of the contractors and the contract cost details.

2. The DPW has requested that this item be continued to the Budget Committee on March 16, 1994, in order for the Department to have additional time to reassess, and provide clarification regarding, the \$154,307 which is requested to be reappropriated to the General Fund Reserve and to explain the purpose of the Study.

Recommendation: Continue the proposed legislation to the Budget Committee meeting on March 16, 1994 as requested by the DPW.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 17 - File 226-94-1

Item: Ordinance authorizing the Proposition N Charter Reform Committee to accept cash and in-kind contributions to the City for the purpose of Charter reform.

Description: Proposition N, approved by the voters of San Francisco in November, 1993 directed the Mayor, a member of the Board of Supervisors and the Chief Administrative Officer (CAO) to form a Charter Reform Committee to conduct a complete review of the City's Charter. As contained in Proposition N, the purpose of this Charter review would be to make recommendations to reorganize City government in order to make it more cost-effective and responsive to the people of San Francisco. This Charter Reform Committee is responsible for proposing amendments to the Board of Supervisors to revise the City's Charter, to be placed on the November, 1994 ballot.

The proposed ordinance would authorize the Charter Reform Committee to accept all gifts of cash, in-kind services or materials including, but not limited to, pro bono legal services and consulting expertise required to implement the Charter review process initiated by Proposition N. The proposed ordinance would also authorize the Charter Reform Committee to expend these gifts, without the necessity of appropriation approval by the Board of Supervisors.

Comments: 1. The City's Administrative Code Section 10.116 authorizes City departments to accept any gifts or cash having a value of less than \$5,000, without the Board of Supervisors approval. However, Board of Supervisors approval is required for any gifts or cash which has a value greater than \$5,000. Under the proposed ordinance, the Charter Reform Committee would be permitted to accept all gifts of cash, in-kind service or materials, regardless of its value.

2. According to Mr. Jim Lazarus of the Mayor's Office, the proposed ordinance is necessary because the Charter Reform Committee does not have any staff to assist the Committee in conducting its work. Mr. Lazarus reports that various groups, such as the Committee on Jobs and the San Francisco Foundation, have expressed a willingness to contribute in-kind services or funding to assist the Charter Reform Committee complete its work. According to Mr. Lazarus, approximately \$150,000 in cash and in-kind contributions are anticipated to be received by the Charter Reform Committee over the next several months. Mr. Lazarus reports that the Committee will need to complete their work by July, 1994, at

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Budget Committee
March 9, 1994

which time, proposed amendments to the Charter will be forwarded to the Board of Supervisors for placement on the November, 1994 ballot. Since the various sources and amount of funds from each source is unknown, Mr. Lazarus reports that the proposed blanket approval for all of these funds will facilitate the Committee's work.

Recommendation: Given that the proposed ordinance would enable the Charter Reform Committee to accept any gift or cash, regardless of amount, without Board of Supervisors approval, the Budget Analyst considers this ordinance to be a policy matter for the Board of Supervisors.

Item 18 - File 68-94-8

Department: Mayor's Office of Housing (MOH)

Item: Resolution authorizing the Mayor to apply for, accept and administer a Federal grant for the Home Investment Partnership (HOME) Program and approving the HOME Program Description. Indirect costs associated with the acceptance of these grant funds will be paid by Community Development Block Grant (CDBG) funds.

Grant Amount: Not to exceed \$5,684,000

Grant Period: Five years from the date that HUD approves the grant allocation

Source of Funds: U. S. Department of Housing and Urban Development (HUD)

Project: Home Investment Partnership (HOME) Program

Description: The HOME Program is authorized under Title II of the National Affordable Housing Act of 1990 (Public Law Number 101-625), which provides funds for the acquisition, rehabilitation and development of affordable housing. The Mayor's Office of Housing (MOH) reports that on January 31, 1994, HUD issued a Notice of Funding Availability (NOFA) for Federal Fiscal Year 1994 for this Program. The MOH advises that, based on a formula, the City has received a HUD funding allocation of \$5,684,000. In order to be eligible for these funds, the City must submit a program description of how it intends to spend the proposed allocation of HOME Program funds by March 17, 1994.

According to the City's HOME Program Description, the City proposes to use its HOME funding allocation of \$5,684,000 as part of the City-wide Housing Investment Plan, also known as the 1994 San Francisco Affordable Housing Development Program Pool. The 1994 San Francisco Affordable Housing Development Program Pool totals \$58,871,107, including uncommitted HOME Program funds from previous years in addition to the proposed \$5,684,000 grant and several other sources of development monies, as follows:

<u>HOME Funds:</u>	
Reallocated from previous years	\$6,285,000
Proposed 1994	<u>5,684,000</u>
Subtotal	\$11,969,000

Other Sources:

Community Development Block Grant (CDBG)	\$8,848,503
Hotel Tax Funds	6,247,799
SFRA Tax Increment Funds	13,822,762
Office-Affordable Housing Program (OAHP)	121,407
Housing Opportunities for People with AIDS	13,474,523
Federal Emergency Management Agency (FEMA)	1,000,000
Housing Developer Fees	<u>3,387,113</u>

Subtotal	<u>46,902,107</u>
----------	-------------------

Total	\$58,871,107
-------	--------------

The reallocated (\$6,285,000) HOME Program funds and the proposed 1994 (\$5,684,000) HOME Program funds represents approximately 20 percent of the total \$58,871,107 1994 Affordable Housing Development Program Pool.

The purpose of the City-wide Housing Investment Plan is to encourage the development of affordable housing in a manner consistent with (1) the priorities for investment set out in the City's Comprehensive Housing Affordability Strategy (CHAS) and the CHAS Annual Plan, as approved by HUD on December 14, 1993, (2) the goals of the Residence Element of the Master Plan, and (3) the procedures for allocating HOME Program funds approved by the Board of Supervisors in August, 1992 (File 68-92-4.1) and revised in February, 1994 (File 68-94-7).

Budget:

The proposed HOME Program allocation will be distributed as follows:

Acquisition/Rehabilitation	\$3,305,000
-----------------------------------	-------------

Purchase and renovation or conversion of existing larger unit buildings for families.

Supportive Housing	563,000
---------------------------	---------

Housing for homeless people with special needs.

Family Housing Construction	1,500,000
------------------------------------	-----------

New construction of multiple bedroom rental housing.

Tenant Assistance	50,000
--------------------------	--------

Tenant-based assistance to provide emergency assistance

Administration

Community Housing Development Organizations (CHDO) (\$150,000) - allocated to cover administrative expenses of community housing development organizations to provide supportive services for extremely low-income tenants. The MOH is unable to provide specific budget details at this time (see Comment 2).

Mayor's Office of Housing- (\$116,000) allocated to cover a portion of personnel costs of the HOME Program as follows:

	FTE	Salary
Chief Housing Finance Officer	.19	\$12,195
Senior Project Manager	.20	10,367
Senior Project Manager	.40	20,734
Senior Project Manager	.20	10,367
Rehabilitation Manager	.55	35,443
Project Manager	.20	8,571
Project Manager	<u>.20</u>	<u>7,778</u>
Subtotal Salaries	1.94	\$105,455
Fringe Benefits (10%)		10,545
Total Salaries and Benefits		\$116,000
Total Administration (\$150,000 plus \$116,000)		<u>\$266,000</u>
Total Home Budget		\$5,684,000

Required Match: \$1,467,250

Indirect Costs: \$10,000 in indirect costs will be paid from CDBG funds through an amendment to the 1994 Community Development Program (see Comment 3).

Comments: 1. The matching fund requirement of \$1,467,250 will be provided from existing City funds previously appropriated by the Board of Supervisors for affordable housing, which total \$21,191,968. Because the MOH has yet to send out Notice's of Funding Availability to prospective developers, the MOH is unable to identify the specific projects that will receive HOME funding and the specific fund(s) that will be used to provide the matching requirement for the subject grant. However, the MOH advises that the specific fund(s) used for the matching requirement of \$1,467,250 will be provided

when the MOH requests approval to expend the proposed grant funds.

2. Mr. La Torre reports that a more detailed budget of the allocation of funds for the HOME Program will be provided at the time the Mayor's Office submits its request to the Board of Supervisors to expend the proposed Federal Grant. The proposed resolution would authorize the MOH to apply for, accept and administer the new grant. While this language is intended to inform the Federal grantor that the MOH will provide administrative oversight for these grant funds, it does not permit the MOH to expend the grant funds until separate approval is obtained from the Board of Supervisors.

3. Mr. Bernhard Gunther of the Mayor's Office of Community Development (MOCD) reports that the MOCD will be submitting separate legislation to amend the 1994 Community Development Program (CDP) to identify an amount of \$10,000 in CDBG for indirect costs to administer the proposed HOME Program grant of \$5,684,000.

4. The Grant Application Information Form prepared by MOH is attached.

5. A Disability Access Checklist is contained in the Board of Supervisors file.

Recommendation: Approve the proposed resolution.

Grant Application Information Form

A document required to accompany a proposed resolution
Authorizing a Department to Apply for a Grant

To: The Board of Supervisors
Attn: Clerk of the Board

The following describes the grant referred to in the accompanying resolution:

Department: Mayor's Office of Housing

Contact Person: Joe LaTorre Telephone: 554-8788

Project Title: HOME Program

Grant Source: U.S. Department of Housing and Urban Development

Proposed (New / Continuation) Grant Project Summary:

The HOME Program was established by the Cranston-Gonzalez Housing Act of 1990 to provide funds for the acquisition, rehabilitation and development of affordable housing. Each year, the City receives an entitlement grant in an amount determined by formula from the federal appropriation.

HOME funds will be used as one component of the City's overall subsidized housing development program, along with CDBG funds, the housing set-aside under the Hotel Tax Fund, any available funds from tax-increment financing, the Office-Affordable Housing Production Program, and other special funds targeted to affordable housing. The Program Description to be submitted to HUD, and incorporated in the Resolution by reference, details the various sources anticipated for 1993 and the proposed pattern for allocating these funds to various needs.

The City will disburse funds by entering into loan agreements with housing developers, under which the developer will develop and maintain housing in accordance with federal HOME guidelines. Funds will be disbursed as costs are incurred by the developer.

Amount of Grant Funding Applied for: \$5,634,000

Maximum Funding Amount Available: \$5,684,000

Required Matching Funds: Existing City affordable housing funds (tax increment, Hotel Tax Fund)

Number of Positions Created and Funded: 3 fte funded (replaces CDBG funds)

Amount to be Spent on Contractual Services: none

Will Contractual Services be put out to Bid? n.a.

Term of Grant: Five years to complete disbursement

Date Department Notified of Available funds: January 31, 1994

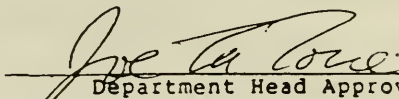
Application Due Date: March 17, 1994

Grant Funding Guidelines and Options (from RFP, grant announcement or appropriations legislation):

Regulations and procedures for committing and expending HOME funds are specified HUD at 24 CFR 92. The Mayor's Office of Housing has prepared, and the Board of Supervisors has by Resolution 769-92 approved procedures for selecting projects to be assisted by HOME. Amended Procedures were approved by the Board on February 22, 1994 (File No. 68-94-7) and are pending signature by the Mayor.

Assessment of Need for Grant Funding:

HOME funding is essential to address the City's need to develop and preserve affordable housing, and to meet the housing assistance goals of the City's Residence Element and Comprehensive Housing Affordability Strategy.



Department Head Approval
JOE LaTORRE, Deputy Director
for TED DIENSTFREY, Director

Item 19 - File 101-93-94

Department: Department of Public Health (DPH)

Item: Supplemental Appropriation Ordinance appropriating \$1,495,177 in Medi-Cal revenues to adjust San Francisco General Hospital's participation in the SB 855 Disproportionate Share Payment Program for fiscal year 1993-94, and transferring the revenues to DPH, Community Health Services, Other Non-Personal Services.

Amount: \$1,495,177

Source of Funds: San Francisco General Hospital (SFGH) Medi-Cal net revenue.

Description: Senate Bill 855 (SB 855) established a payment adjustment program that provides a mechanism for additional supplemental payments to the State's disproportionate share hospitals, such as SFGH. A disproportionate share hospital is defined as a hospital with a Medi-Cal inpatient and indigent utilization rates higher than the State average. Under this Payment Adjustment Program, the City is required to make a transfer of funds to the State Department of Health Services (SDHS). The State obtains matching Federal funds to the transferred funds and the transferred funds plus the matching Federal funds are then distributed back to SFGH as Medi-Cal revenues based on Medi-Cal patient days of services. The amount that the City must transfer to the SDHS is based on a statutory formula.

For the third time this fiscal year, the State has increased the amount of the transfer payment that must be made in order to receive disproportionate share payments. This modification is to take advantage of a Federal regulation which permits States to make supplemental payments to disproportionate share hospitals. The computed transfer payment increase required is \$1,495,177. In return, the SFGH is informed that increased disproportionate share payments will equal \$2,580,985, for a net gain of \$1,085,808.

The table below summarizes the appropriations for SB855 transfer payments and disproportionate share payments for the 1993-94 fiscal year.

1993-94 Chronology of SB855 Appropriations

	Department of Public Health Transfer <u>Payment to State</u>	Disproportionate Share <u>Payment to SFGH</u>	<u>Net Gain</u>
Original 1993-94 Budget	\$46,488,622	\$74,828,907	\$28,340,285
First Revision - December 1993 (File 101-93-40)	7,500,449	7,769,793	269,344
Second Revision - February 1994 (File 101-93-75)	1,421,450	999,400	(422,050)
This Supplemental Appropriation (File 101-93-94)	<u>1,495,177</u>	<u>2,580,985</u>	<u>1,085,808</u>
Total	\$56,905,698	\$86,179,085	\$29,273,387
Increase over original budget	\$10,417,076	\$11,350,178	\$933,102

Comments:

1. SFGH is now forecasting a revenue shortfall of approximately \$20.1 million which must be overcome by either reduced SFGH spending or increases in other revenue sources.

The SFGH has been reporting on the status of the current year revenue shortfall to the Health Commission, the Mayor, Controller and Budget Analyst since January, 1994. The \$20.1 million revenue shortfall is being corrected by reducing expenditures and realizing increased revenue as follows:

Expenditure Reductions (in \$millions)

Salaries and benefits	\$4.3	
Materials and Supplies	2.0	
Contract Services	<u>1.8*</u>	
Total Expenditure Reductions		\$8.1

Revenue Increases (in \$millions)

SB 910 Medi-Cal	\$1.6 **	
Psychiatric Inpatient Revenue	2.2	
SB 855 Retroactive Disproportionate Share	7.2 ***	
Additional SB 855 Revenue (subject of this Supplemental Appropriation)	<u>1.0</u>	
Total Revenue Increases		<u>\$12.0</u>
Total Expenditure Reductions and Revenue Increases		\$20.1

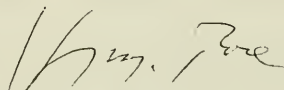
BOARD OF SUPERVISORS
BUDGET ANALYST

- * Includes \$1.0 million reduction to UC Medical Contract Services.
- ** Reimbursement for costs to establish eligibility for new Medi-Cal recipients.
- *** Previously approved retroactive disproportionate share payments for fiscal years 1991-92 and 1992-93.

Based on the plan to eliminate the SFGH revenue shortfall described above, the DPH and SFGH are recommending that the increase of \$1,085,808 in SB855 net revenue be applied to the projected SFGH revenue shortfall.

2. The net gain to the City in 1993-94 as a result of participation in the State's disproportionate share Payment Adjustment Program, including the additional subject gain of \$1,085,808, is \$29,273,387.

Recommendation: Based on the net additional revenue gain to the SFGH of \$1,085,808, approve the proposed supplemental appropriation.



Harvey M. Rose

cc: Supervisor Hsieh
President Alioto
Supervisor Bierman
Supervisor Conroy
Supervisor Hallinan
Supervisor Kaufman
Supervisor Kennedy
Supervisor Leal
Supervisor Maher

Supervisor Migden
Supervisor Shelley
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Robert Oakes
Ted Lakey

SF
S90.07
#2
3/16/94

/// CALENDAR ... ACTION
/// BUDGET COMMITTEE
/// BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

DOCUMENTS DEPT.

AUG 27 1996

SAN FRANCISCO
PUBLIC LIBRARY

WEDNESDAY, MARCH 16, 1994 - 1:00 P.M.

ROOM 228, CITY HALL

PRESENT: SUPERVISORS HSIEH, ALIOTO, BIERMAN

ABSENT: SUPERVISOR ALIOTO FOR ITEMS 1-6, and 13-16

CLERK: MARY L. RED

1. File 253-92-2. [Workers Compensation Task Force] Hearing to consider the action plans of the Workers Compensation Task Force. (Supervisors Hsieh, Conroy, Shelley, Kennedy, Alioto)
(Continued from 2/16)

ACTION: Consideration continued to March 30. (Supervisor Alioto absent)

2. File 207-94-3. [Police Facilities, Work Authorization] Resolution authorizing work for the remodeling of Park Police Station and Golden Gate Park Police Stables. (Supervisor Alioto)
(Continued from 3/2)

ACTION: Consideration continued to call of the chair. (Supervisor Alioto absent)

3. File 101-90-86.4. [Reserved Funds, Police Stables, Golden Gate Park] Hearing requesting release of reserved funds, Police Department, in the amount of \$245,000, for Golden Gate Park Police stables. (Police Department) (Continued from 3/2)

ACTION: Consideration continued to call of the chair. (Supervisor Alioto absent)

4. File 101-91-75.2. [Reserved Funds, Police Department, Park Station] Hearing requesting release of reserved funds, Police Department, in the amount of \$450,000, for the remodelling of Park Station. (Police Department) (Continued from 3/2)

ACTION: Consideration continued to call of the chair. (Supervisor Alioto absent)

5. File 101-91-74.5. [Reserved Funds/Park Police Station/Seismic Upgrade] Hearing requesting release of reserved funds, Department of Public Works, 1990 Earthquake Safety Bond Fund, in the amount of \$902,000, for the seismic upgrade of the Park Police Station. (Department of Public Works)
(Continued to 3/2)

ACTION: Consideration continued to call of the chair. (Supervisor Alioto absent)

6. File 172-94-2. [Peninsula Corridor Joint Powers Board Agreement] Resolution authorizing execution of an amendment to Joint Powers Agreement between the City and County of San Francisco, the San Mateo County Transit District and the Santa Clara County Transit District to replace an appointment of the City's Public Utilities Commission as a representative of the City on the Joint Powers Board with an appointment of the Airports Commission. (Supervisor Hsieh) (Continued from 3/2)

ACTION: Consideration continued to March 30. (Supervisor Alioto absent)

7. File 217-94-2. [Supplemental Budget/Senior Escort Program] Hearing to consider the status of the Board of Supervisor's request for a \$290,000 supplemental appropriation for the Senior Escort Program. (Supervisors Hsieh, Alioto, Bierman) (Continued from 3/9/94)

ACTION: Hearing held. Resolution prepared in and reported out of committee entitled, "Urging the Mayor to urge the Police Commission to submit a supplemental appropriation in the amount of \$45,000 for the Senior Escort Program." RECOMMENDED.

8. File 93-94-6. [MOU, Temporary Relocation of City Hall] Resolution authorizing the Director of Property to enter into a Memorandum of Understanding with the War Memorial Board of Trustees, for the temporary relocation of the Mayor, the Board of Supervisors, the Law Library, and possible the City Attorney, to the War Memorial Veterans Building. (Real Estate Dept.) (Continued from 3/9/94)

ACTION: Hearing held. RECOMMENDED.

9. File 64-94-3. [Lease of Real Property at 633 Folsom St.] Resolution authorizing a lease of real property at 633 Folsom Street for the temporary relocation of the Civil Courts, Court-related Administrative Divisions, and other City departments. (Real Estate Dept.) (Continued from 3/9/94)

ACTION: Hearing held. RECOMMENDED.

10. File 64-94-4. [Lease of Real Property at 875 Stevenson St.] Resolution authorizing a lease of real property at 875 Stevenson Street, commonly known as the San Francisco Mart (Mart II), for the temporary relocation of City departments currently at City Hall. (Real Estate Dept.) (Continued from 3/9/94)

ACTION: Hearing held. RECOMMENDED.

11. File 101-93-92. [Appropriation, Academy of Sciences] Ordinance appropriating \$655,700, Academy of Sciences, to a facilities maintenance project at the Academy of Sciences for repair of Fish Roundabout at the Steinhart Aquarium and appropriating \$154,307 to the General Fund Reserve and rescinding \$810,007 from a capital improvement project (City Hall roof and skylight repairs) at the Department of Public Works for fiscal year 1993-94. (Supervisor Alioto) RO #93234 (Continued from 3/9/94)

ACTION: Amendment of the Whole reflecting Budget Analyst recommendations, adopted. New title: "Ordinance appropriating \$655,700, Academy of Sciences, to a facilities maintenance project at the Academy of Sciences for repair of Fish Roundabout at the Steinhart Aquarium and appropriating \$154,307 to the General Fund Reserve and rescinding \$810,007 from a capital improvement project (City Hall roof and skylight repairs) at the Department of Public Works for fiscal year 1993-94, placing \$574,500 on reserve." RECOMMENDED AS AMENDED. (Supervisor Alioto added as sponsor)

12. File 101-93-94. [Appropriation, Department of Public Health] Ordinance appropriating \$1,495,177, Department of Public Health, in Medi-Cal net revenues for San Francisco General Hospital's participation in the SB 855 Disproportionate Share Payment Program for fiscal year 1993-94 (includes revenue transfer to the General Fund and SB 855 match in other non personal services). RO #93242 (Supervisors Hsieh, Alioto) (Continued from 3/9/94)

ACTION: RECOMMENDED. (Supervisor Alioto added as cosponsor)

13. File 47-94-5. [Parking Rate Change - 5th/Mission Garage] Resolution recommending that the San Francisco Board of Supervisors approve new parking rates at the Fifth and Mission Garage. (Supervisor Alioto) (Continued from 3/9/94)

ACTION: RECOMMENDED. (Supervisor Alioto absent)

14. File 38-94-2. [Gift Acceptance, Fortunio Estate] Resolution authorizing the acceptance of real property and cash from the estate of John B. Fortunio. (Supervisor Alioto)

ACTION: Amended on page 1, line 23 after "and" add "which cash amount would not be shared with the University of San Francisco as it has already received its cash distribution from the Estate; and." Same title. RECOMMENDED AS AMENDED. Supervisor Alioto added as sponsor. (Supervisor Alioto absent)

15. File 101-90-124.4. [Reserved Funds, Recreation and Park Department] Hearing requesting release of reserved funds, Recreation and Park Department, in the amount \$579,501, for the Lake Merced Perimeter Path Improvement Project. (Also see File 150-91-2.2) (Recreation and Park Department)

ACTION: Release of reserves in the amount of \$579,501 approved. FILED.

16. File 150-91-2.2. [Reserved Funds, Recreation and Park Department] Hearing requesting release of reserved funds, Recreation and Park Department, in the amount of \$189,870, for Lake Merced Perimeter Walkway Project. (Recreation and Park Department)

ACTION: Release of reserves in the amount of \$189,870 approved. FILED.

17. File 101-92-60.5. [Reserved Funds, Fire Department] Hearing requesting release of reserved funds, Fire Department, 1992 Prop C Bond Program, in the amount of \$193,000, for the purpose of funding the construction, construction services and hazardous materials abatement for five Fire Department facilities (Fire Station No. 21). (Department of Public Works)

ACTION: Release of reserves in the amount of \$141,100 approved. (See Budget Analyst report for explanation of amount of funds released). FILED.

18. File 101-92-72.2. [Reserved Funds, Department of Public Works] Hearing requesting release of reserved funds, Department of Public Works, 1989 Earthquake Safety Bond Fund, in the amount of \$1,887,627, for the purpose of funding the construction, construction services and hazardous materials abatement for five Fire Department facilities. (Department of Public Works)

ACTION: Release of reserves in the amount of \$1,887,627 approved. FILED.

19. File 148-92-7.2. [Reserved Funds, Dept of Public Works/FEMA Funds] Hearing requesting release of reserved funds, Department of Public Works, Hazard Mitigation Grant from FEMA, in the amount of \$1,084,902.50, for construction services and hazardous materials abatement for five Fire Department facilities. (Department of Public Works)

ACTION: Release of reserves in the amount of \$1,084,902.50 approved. FILED.

20. File 101-92-60.6. [Reserved Funds, Fire Department] Hearing requesting relief of reserved funds, Fire Department, 1992 Prop C Bond Issue Fund, in the amount of \$127,250, for Fire Station No. 6 Apparatus Doors Replacement Project. (Department of Public Works)

ACTION: Release of reserves in the amount of \$127,250 approved. FILED.

21. File 172-94-9. [Extend Contract, DSS - S.F. Child Abuse Council] Resolution authorizing the Department of Social Services to extend the current contract between the City and County of San Francisco and San Francisco Child Abuse Council, Inc. in the amount of Sixteen Thousand, Six Hundred and Sixty-Seven Dollars (\$16,667) from the County's Children's Trust Fund for the provision of child abuse and neglect prevention services via public awareness and education to professional and community organizations for the period of March 1, 1994 through June 30, 1994. (Also see File 172-93-6.) (Supervisor Alioto)

ACTION: Amended on lines 1 and 9 after authorizing/authorizes, add "retroactively". New title: Resolution authorizing retroactively, the Department of Social Services to extend the current contract between the City and County of San Francisco and San Francisco Child Abuse Council, Inc. in the amount of Sixteen Thousand, Six Hundred and Sixty-Seven Dollars (\$16,667) from the County's Children's Trust Fund for the provision of child abuse and neglect prevention services via public awareness and education to professional and community organizations for the period of March 1, 1994 through June 30, 1994. RECOMMENDED AS AMENDED. (Supervisor Alioto added as sponsor)

22. File 172-94-10. [Extend Contract, DSS – Family Service Agency] Resolution authorizing the Department of Social Services to extend the current contract between the City and County of San Francisco and Family Service Agency of San Francisco in the amount of Thirty-Three Thousand, Three Hundred and Thirty-Three Dollars (\$33,333) from the County's Children's Trust Fund for the provision of in-home and out-of-home parenting training and education to families with children at risk of child abuse and neglect for the period of March 1, 1994 through June 30, 1994. (Also see File 172-93-7.) (Supervisor Alioto)

ACTION: Amended on lines 1 and 9 after authorizing/authorizes, add "retroactively". New title: Resolution authorizing retroactively, the Department of Social Services to extend the current contract between the City and County of San Francisco and Family Service Agency of San Francisco in the amount of Thirty-Three Thousand, Three Hundred and Thirty-Three Dollars (\$33,333) from the County's Children's Trust Fund for the provision of in-home and out-of-home parenting training and education to families with children at risk of child abuse and neglect for the period of March 1, 1994 through June 30, 1994. RECOMMENDED AS AMENDED (Supervisor Alioto added as sponsor)

23. File 228-94-1. [Sales Tax Consultant Services] Resolution authorizing access to sales or transactions and use tax records pursuant to California Revenue and Taxation Code Section 7056. (Controller).

ACTION: RECOMMENDED.

24. File 60-94-1.1. [Ballot Argument – School Bond] Hearing to consider ballot argument concerning San Francisco Unified School District Bond issue. (Supervisor Alioto)

ACTION: Hearing held. Amendment of the Whole (as presented by Supervisor Alioto) accepted. Motion prepared in and reported out of committee entitled, "Authorizing proponent's ballot argument in favor of Proposition "A", a bond issue concerning repairs and rehabilitation of school buildings in the San Francisco Unified School District." RECOMMENDED.

25. File 168-94-1. ["Open Space" Acquisition, Mullen/Peralta Property] Resolution authorizing purchase agreement for acquisition of real property located in Bernal Heights generally described as the Mullen Peralta site, identified as City and County of San Francisco Assessor's Block 5538, Lot 15, for open space purposes and adopting findings pursuant to City Planning Code Section 101.1. (Real Estate Department)

ACTION: Hearing held. RECOMMENDED.

26. File 101-93-99. [Appropriation – Human Resources Department] Ordinance appropriating and rescinding \$80,536.00 of permanent salaries and mandatory fringe benefits for the reclassification and creation of four (4) positions as authorized by Charter Section 3.662 at the Human Resources Department for Fiscal Year 1993-94 (Implement Proposition L) RO#93222/SA#120. (Supervisor Hsieh) (companion measure to File 102-93-25)

ACTION: RECOMMENDED.

27. File 102-93-25. [Human Resources Dept.] Ordinance amending Annual Salary Ordinance, 1993-94, Human Resources Department, reflecting changes in three positions and creating one new position. companion measure to File 101-93-99. (Supervisor Hsieh)

ACTION: RECOMMENDED.

28. File 101-93-100. [Appropriation - Civil Service Commission] Ordinance appropriating and rescinding \$96,145 for permanent salaries, miscellaneous and mandatory fringe benefits, reassigning eleven (11) positions from the Human Resources Department to the Civil Service Commission for the remainder of Fiscal Year 1993-1994. (Implement Proposition L). RO#93246/SA#122 (Supervisor Hsieh) (companion measure to File 102-93-29)

ACTION: RECOMMENDED.

29. File 102-93-29. [Civil Service Commission] Ordinance amending Annual Salary Ordinance, 1993-94, Civil Service Commission, reflecting continuation and reassignment of eleven positions as a result of the passage of Proposition L. (Supervisor Hsieh) (companion measure to file 101-93-100).

ACTION: RECOMMENDED.

30. File 205-93-1. Hearing to consider the management and oversight of funds generated from the War Memorial Center for veterans programs and how to maximize local programs for veterans. (Supervisor Alioto)
(Continued from 10/27/93)

ACTION: Hearing held. Consideration continued to April 20.

File 205-93-1.1. Resolution prepared in and reported out of committee entitled, "Urging the Chief Administrative Officer to urge the Convention Facilities Director to use his best efforts to bring the American Marine Veterans' Convention to San Francisco; and urging the Mayor to invite the American Marine Veteran's Convention to San Francisco."
RECOMMENDED.

CITY AND COUNTY



Public Library, Documents Dept.
OF SAN FRANCISCO *ATTN: Jane Judson*

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

DOCUMENTS DEPT.
MAR - 6 1994
SAN FRANCISCO
PUBLIC LIBRARY

March 14, 1994

TO: Budget Committee
FROM: Budget Analyst
SUBJECT: March 16, 1994 Budget Committee Meeting

Item 1 - File 253-92-2

Note: This item was continued by the Budget Committee at its meeting of February 16, 1994.

Item: Hearing to consider the action plans of the Workers Compensation Task Force

Description: Legislation was enacted in October, 1991 (File 97-91-38) to establish a permanent Workers Compensation Task Force, consisting of the following City officials or their representatives: the Risk Manager, Mayor's Budget Director, Board of Supervisors Budget Analyst, General Manager of the Employees Retirement System (ERS), Director of the Employee Relations Division, General Manager of the Civil Service Commission, and two department heads designated by the Task Force members. At the present time, the two departments having representatives on the Task Force are the Department of Public Health and the Municipal Railway.

Under Section 16.83-3 of the Administrative Code, the purpose of the Task Force is to:

(1) act in an advisory capacity in all matters pertaining to workers compensation cost containment as required for the guidance of managers, department heads, and City officials;

(2) make recommendations regarding consolidation of responsibilities to improve efficiency in managing claims,

(3) assist the Retirement Board to establish and maintain statistical data relating to work-related injuries and illnesses; and,

(4) submit a semiannual report to the Board of Supervisors concerning the progress of the Task Force in achieving workers compensation cost containment.

The subject hearing concerns the status of the action plans of the Workers Compensation Task Force.

Comments:

1. The Workers Compensation Task Force last reported to the Board of Supervisors concerning its action plans at the March 3, 1993 meeting of the Government Efficiency and Labor Committee. At that time, the immediate priorities of the Workers Compensation Task Force were:

(1) To proceed with implementation of the contract for third party administration of claims. The contract for third party administration was awarded to the Noetics Group, and approximately 50 percent of the City's total workers compensation claims were transferred to the Noetics Group on May 1, 1993. The Noetics Group is now solely responsible for administering the workers compensation claims of the City departments which it has been assigned. The current contract with the Noetics Group will expire on June 30, 1994. The recent management audit of the Workers Compensation Division (WCD) of the Employees Retirement System recommended that the Workers Compensation Task Force work with the Mayor's Office to extend the contract for third party administration to June 30, 1996.

(2) To expand efforts to determine the essential functions of City job classifications and to implement a return to work program for injured workers. The legislation which created the Task Force requires City departments to implement return to work programs for injured workers. The Return to Work Subcommittee of the Task Force has therefore developed specific guidelines for implementing a City-wide return to work program. Specifically, the Task Force recommended that the Mayor's Office require every City department to implement a light duty program, and designate a light duty coordinator to assist the Workers Compensation Division in placing injured workers in appropriate light duty assignments. The Task Force also recommended that the Workers Compensation Division either designate a single modified duty coordinator, or

train claims examiners to place injured workers in light duty assignments. However, the WCD does not have such a return to work coordinator at the present time.

(3) To enhance department record-keeping capabilities concerning work-related injuries and accidents in order to increase departments' accountability for workers compensation costs and to evaluate future cost control efforts. Under Section 16.83-2 of the San Francisco Administrative Code, City departments are required to submit quarterly reports to the Task Force concerning their workers compensation claims. However, compliance with this requirement has been poor, and only seven departments had submitted the required statistical reports to the Task Force as of March, 1993, when the Task Force last reported to the Board of Supervisors. Ms. Teresa Serata reports that, since that time, compliance with the statistical reporting requirements of the Administrative Code has improved, and a large majority of City departments have submitted the required quarterly statistical reports.

2. Mr. Barrie Stewart of the Mayor's Office (who staffs the Task Force in addition to the Mayor's Budget Director) states that the Workers Compensation Task Force is currently engaged in auditing departmental compliance with the injury and illness reports which are required under Section 16.83-2 of the Administrative Code.

In addition, Mr. Stewart indicates that the Workers Compensation Task Force has requested that the Employees Retirement Board prepare a Request for Proposal for the City's contract for workers compensation medical services, which is currently held by Saint Francis Memorial Hospital. This request is consistent with the findings of the Budget Analyst's recent management audit of the Workers Compensation Division, which recommended that the ERS competitively bid its contract for workers compensation medical services.

3. Since it last reported to the Board of Supervisors in March, 1993, the Workers Compensation Task Force has met quarterly, and held its most recent meeting in December, 1993. Mr. Stewart states that the next meeting of the Workers Compensation Task Force is scheduled for March 21, 1994.

At that time, the Task Force will review the findings and recommendations of the February, 1994 management audit of the Workers Compensation Division of the Employees Retirement System, which was conducted by the Budget Analyst at the request of the Board of Supervisors. The Workers Compensation Task Force will seek to develop further

Memo to Budget Committee
March 16, 1994

action plans for the City's workers compensation program at its meeting of March 21, 1994, according to Mr. Stewart.

4. Because the next meeting of the Task Force will not be held until after the March 16, 1994 meeting of the Budget Committee, the Budget Analyst has been advised by the Office of the Chair of the Budget Committee that this item is expected to be continued to the March 30, 1994 meeting of the Budget Committee.

Items 2, 3, 4 and 5 - Files 207-94-3, 101-90-86.4, 101-91-75.2 and 101-91-74.5

Note: These items were continued by the Budget Committee at its meeting of March 2, 1994.

Department: Police Department
Bureau of Architecture, Department of Public Works (DPW)

Items: Item 2 - File 207-94-3 - Authorizing work for the renovation of the Park Police Station and the Golden Gate Park Police Stables.

Item 3 - File 101-90-86.4 - Release of reserved funds for the Police Department - 1987 Police Facilities Improvement Bond Fund, in the amount of \$245,000 for the renovation of Golden Gate Park Police Stables.

Item 4 - File 101-91-75.2 - Release of reserved funds for the Police Department - 1987 Police Facilities Improvement Bond Fund, in the amount of \$450,000 for the renovation of the Park Station.

Item 5 - File 101-91-74.5 - Release of reserved funds — 1990 Earthquake Safety Program Bond Fund, for the Park Police Station Seismic Upgrade, in the amount of \$902,000.

Amount: \$1,597,000 (\$245,000 plus \$450,000 plus \$902,000)

Source of Funds: 1987 Police Facilities Improvement Bond Fund and 1990 Earthquake Safety Program Bond Fund

Description: In November, 1987, San Francisco voters authorized a \$28 million General Obligation Bond issue to fund the renovation and improvement of various Police Department facilities. In July 1988, the first bond sale in the amount of \$11 million occurred. Funds from the first bond supported 1) the acquisition of land for the new Bayside Station; 2) the renovation of the Pistol Range and the Ingleside and Richmond Stations; and 3) preliminary studies on the renovation of the Taraval Station and construction of the new Mission Station. In January 1991, \$10.9 million was sold at a second bond sale. Funds from the second bond sale supported work at the following sites: the Bayview, Central, Mission, Taraval, Park and Richmond Stations as well as the Golden Gate Stables and the Juvenile Hall.

In June of 1990, San Francisco voters authorized a \$332.4 million Earthquake Safety Bond Program to fund various seismic upgrade and repair projects for City-owned buildings.

BOARD OF SUPERVISORS
BUDGET ANALYST

In June of 1992, the Board of Supervisors approved a third bond sale in the amount of \$58.86 million for the Earthquake Safety Bond Program Phase II which supported seismic upgrade work at the following sites: City Hall, the Civic Auditorium, Davies Symphony Hall, the de Young Museum, the Main Library and five branch libraries, San Francisco General Hospital, the Opera House, the War Memorial Veterans building, the San Francisco Zoo, and the Music Concourse in Golden Gate Park.

Item 2. File 207-94-3 - Authorizing Work of Police Facilities at Golden Gate Park

Section 3.552 of the City Charter, Power and Duties, Recreation and Park Department, requires that any building or structure, except a building or structure necessary for maintenance, shall not be erected, enlarged, or expanded in Golden Gate Park unless approval is obtained from two-thirds of the members of the Board of Supervisors. The proposed resolution would authorize work for the renovation of the Park Police Station and the Golden Gate Park Police Stables in accordance with Charter Section 3.552.

Item 3. File 101-90-86.4 - Renovation of the Golden Gate Park Police Stables

The Board of Supervisors previously approved a supplemental appropriation ordinance (File 101-90-86) appropriating \$11,523,772 for various Police facilities maintenance and improvement projects, financial advisors, bond counsel, and renovation work for various projects, including the Golden Gate Park Police Stables. Of the \$11,523,772, the Board of Supervisors reserved \$245,000 in contractual services for the Golden Gate Park Police Stables renovation project, pending selection of contractors, contract budget information, and the MBE/WBE status of the contractors.

Item 4. File 101-91-75.2 - Renovation of the Park Police Station

The Board of Supervisors previously approved a supplemental appropriation ordinance (File 101-91-75) appropriating \$6,220,350 for various Police facilities maintenance and improvement projects, including the Park Station. Of the \$6,220,350, the Board of Supervisors reserved \$450,000 in contractual services for the Park Station renovation project, pending selection of contractors, contract budget information, and the MBE/WBE status of the contractors.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 5. File 101-91-74.5 - Seismic Upgrade of the Park Police Station

The Board of Supervisors previously approved the third sale of the Earthquake Safety Bond Program Phase II, for an appropriation request in the amount of \$58,860,000 (File 101-91-74) and, at the same time, placed \$45,778,418 of the \$58,860,000 on reserve for professional and construction services at various facilities. Of the \$45,778,418 which was placed on reserve, \$3,738,049 was earmarked for the Music Concourse Project in Golden Gate Park.

The DPW reports that unanticipated savings amounting to over \$1 million have been realized on the cost of construction on the Music Concourse Project. The construction work on the Music Concourse Project is in process and is expected to be completed by July of 1994. As such, the DPW is proposing to use \$902,000 of the \$3,738,049 originally earmarked for the Music Concourse Project to fund the major portion of the cost for the Park Police Station Seismic Upgrade Project. This Project was previously allocated \$123,000 in Earthquake Safety Program Bond Funds, which is \$902,000 less than the total estimated cost of \$1,025,000 for the Project.

Comment:

Mr. Gary Hoy of the Bureau of Architecture reports that the subject construction projects were combined into a single Invitation for Bids. The low bidder on the solicitation, Zollman Construction Company, Inc., has requested that its bid be withdrawn. Zollman's bid of \$1,420,000 for the three projects was approximately \$377,000 lower than the next lowest bidder. Mr. Hoy states that DPW has been in the process of awarding the contract to Zollman Construction Company, Inc., but that the Department must await Zollman's decision of whether to perform or to forfeit its bid bond. Therefore, Mr. Hoy is requesting that the subject items be continued to the call of the Chair.

Recommendation: Continue the proposed legislative items to the call of the Chair, as requested by the Department of Public Works.

Item 6 - File 172-94-2

Note: This item was continued at the March 2, 1994 Budget Committee meeting.

Item: Resolution authorizing the execution of an amendment to the Joint Powers Agreement between the City and County of San Francisco, the San Mateo County Transit District and the Santa Clara County Transit District to replace an appointment made by the City's Public Utilities Commission (PUC) as a representative of the City on the Joint Powers Board with a member appointed by the Airports Commission.

Description: On August 20, 1991 the City entered into a Joint Powers Agreement (JPA) with the San Mateo County Transit District (SamTrans) and the Santa Clara County Transit District regarding the Peninsula Corridor Project. The Peninsula Corridor Project involves the CalTrain route that currently extends from Gilroy to San Francisco. At that time a JPA Board was established as the eventual successor to the California Department of Transportation (Caltrans) to oversee the CalTrain operator, which is currently Amtrak.

The JPA Board consists of nine members, three of which represent the City and County of San Francisco. One member is an appointment of the Mayor, one is an appointment of the Board of Supervisors and one is an appointment of the PUC.

The proposed resolution would amend the JPA to replace the City's PUC representative with a member appointed by the Airports Commission. According to the proposed resolution, the Airport, through its Master Plan, is working with Peninsula agencies and jurisdictions on the development of intercounty transportation and traffic mitigation systems. Proposition M, which the electorate approved in November of 1993, authorized the creation of a Department of Transportation to which Muni would be transferred from the PUC. Thus, according to the proposed resolution, the City's PUC representative to the JPA Board should be replaced with a member appointed by the Airports Commission.

Comments: 1. Approximately 40 percent of CalTrain's operating costs are recovered through fares resulting in a 60 percent annual operating deficit. The annual Federal subsidy is subtracted from the 60 percent deficit. The balance, after subtracting the Federal subsidy, is borne by the counties of San Francisco, San Mateo and Santa Clara based on their respective riderships. San Francisco's share is 10.2 percent, San Mateo's share is 51 percent and Santa Clara's share is 38.8 percent.

In FY 1993-94, San Francisco's share of CalTrain's operating costs was approximately \$2.2 million. According to Ms. Kathleen Kelly of the PUC, for FY 1993-94, the City budgeted \$947,000 from General Fund monies, all of which comes from Muni's budget, as its share of CalTrain's operating costs. Ms. Kelly notes that the City needs to appropriate the remaining \$1,253,000 through a supplemental appropriation to make up the FY 1993-94 shortfall. According to Mr. Rich Casanerio of the JPA Board, as described in the table below, in FY 1994-95 the City's share of CalTrain's operating costs are estimated to be \$2,672,678 and increase each year thereafter to \$3,248,656 in FY 1998-99. Thus, it is estimated that the City's share of CalTrain's operating costs will increase by \$575,978 over a five year period.

<u>Fiscal Year</u>	<u>City's Estimated Share of CalTrain's Operating Cost</u>
1994-95	\$2,672,678
1995-96	2,806,312
1996-97	2,946,627
1997-98	3,093,958
1998-99	3,248,656

2. On February 22, 1994, the PUC approved a resolution urging the Mayor to execute on behalf of the City and County of San Francisco an amendment to the JPA governing the Peninsula Corridor Project to replace the City's PUC representative with a member appointed by the Airports Commission. According to the PUC resolution, with the implementation of Proposition M, the JPA must be amended because the PUC will no longer be concerned with transportation matters.

3. This item was continued at the March 2, 1994 Budget Committee meeting in order for the City Attorney's Office to determine whether the City's share of CalTrain's operating costs could be funded by the Airport. Ms. Kathryn Pennypacker of the City Attorney's Office reports that there are legal restrictions which currently prevent the Airport from funding the City's share of CalTrain's operating costs.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Item 7 - File 217-94-2

Note: This item was continued from the March 9, 1994 Budget Committee meeting.

This item is a hearing to consider the status of the Board of Supervisors request for a \$290,000 supplemental appropriation for the Senior Escort Program.

In order to meet the budget reduction target required by the Mayor's Office, the Senior Escort Program's FY 1993-94 budget was reduced by \$764,524 from the FY 1992-93 budget of \$2,112,069 to \$1,347,545. This reduction reflects the elimination of 25 positions, with the total staff being reduced from 42 positions to 17 positions.

In response to the Budget Committee's request for a comprehensive review of the Senior Escort Program, the Mayor's Office has recently completed a draft report on the Proposed Service Delivery for Fiscal Year 1994-95 for the Senior Escort Program. According to this draft report, the Senior Escort Program would refocus its contact with seniors to emphasize crime prevention services, with the emphasis on walking patrols, while maintaining the three existing service locations within the same geographic areas at the approximately same budget level. However, the current program includes 17 staff and the proposed FY 1994-95 staffing level would total 23 employees, an increase of six employees.

The Mayor's report states that the six additional staff could be returned to the Senior Escort Program in FY 1993-94, upon approval of a supplemental appropriation. The cost of adding six additional full time 8482 Crime Prevention Workers from March 28, 1994 through June 30, 1994 is estimated at approximately \$68,000. Due to the need to serve non-English communities, the Mayor's report recommends that bilingual (Spanish and Cantonese) staff be given priority. In addition, since two existing staff are on long term disability, the Mayor's report recommends the hiring of temporary staff as replacements, pending the existing staff's return to work.

According to Ms. Teresa Serata of the Mayor's Office, representatives from the Mayor's Office will meet with the Chair of the Budget Committee and representatives from the affected labor organizations on March 15, 1994 to discuss the proposed report and recommendations. Mr. Barrie Stewart of the Mayor's Office and Ms. Serata will attend the March 16, 1994 Budget Committee meeting to further discuss this matter and to respond to any questions from the Committee members.

Items 8, 9 and 10 - Files 93-94-6, 64-94-3 and 64-94-4

Note: These items were continued from the March 9, 1994 Budget Committee meeting.

Departments: Real Estate Department
Chief Administrative Officer (CAO)

Items: Item 8, File 93-94-6 - Resolution, which represents an Amendment of the Whole, authorizing the Director of Property to enter into a Memorandum of Understanding (MOU) with the War Memorial Board of Trustees, for the temporary relocation of the Mayor, the Board of Supervisors, the Law Library, and possibly certain functions of the City Attorney, to the War Memorial Veterans Building.

Item 9, File 64-94-3 - Resolution, which represents an Amendment of the Whole, authorizing a lease of real property at 633 Folsom Street for the temporary relocation of the Municipal and Superior Courts, Court-related Administrative Divisions, and other City departments and operations as follows: the Registrar of Voters, the Sheriff and the Reproduction/Mail operations of the Purchasing Department.

Item 10, File 64-94-4 - Resolution, which represents an Amendment of the Whole, authorizing a lease of real property at 875 Stevenson Street, commonly known as the San Francisco Mart (Mart II) for the temporary relocation of the following other City departments and operations currently located at City Hall: the Assessor, the Treasurer, the Tax Collector, the County Clerk Recorder, the Controller, the Purchaser, the Department of Public Works, the Chief Administrative Officer, Civil Service, the Human Resources Department, Transportation/Communication operations, Convention Facilities operations, and Permit Appeals operations.

Amount: \$37,946,383

Source of Funds: 1990 Earthquake Safety Program Bond Funds (Phase II)

Description: The Department of Public Work's engineering consultants have advised the CAO that the seismic repair and retrofit to City Hall cannot be completed in phases with City employees occupying portions of the building as originally planned without jeopardizing the safety of the employees and other persons in the building, because the nature of the

BOARD OF SUPERVISORS
BUDGET ANALYST

construction work to be performed on the building is such that it will render the building less stable and therefore more vulnerable to earthquakes of any magnitude during the construction period. As such, the CAO has recommended relocating all City employees out of City Hall as soon as possible to facilitate an expeditious and cost effective seismic retrofit of City Hall. The Real Estate Department advises that all City Hall tenants are now planned to be relocated on or before January 1, 1995, but no later than March 31, 1995. The above-noted building sites to which the City Hall tenants are proposed to be relocated, were selected by the Real Estate Department in conjunction with the Department of Public Works, Bureau of Architecture and the City Hall Relocation Committee, which is composed of representatives of the CAO, the Real Estate Department, the Department of Public Works (DPW) Bureau of Architecture, the City Attorney, the Department of Electricity and Telecommunications, the Electronic Information Processing Steering Committee (EIPSC), the Controller's Information Services Division (ISD) and the Purchasing Department.

Item 8, File 93-94-6 - The proposed resolution is requesting authority for the Director of Property to enter into a Memorandum of Understanding (MOU) with the War Memorial Board of Trustees, for the temporary relocation of the Mayor, the Board of Supervisors, the Law Library and possibly certain functions of the City Attorney, to the War Memorial Veterans Building located at 401 Van Ness Avenue. This MOU would be for the period on or before January 1, 1995 (but no later than March 31, 1995) and would expire on December 31, 1997.

The Real Estate Department advises that the relocation plan provides for the Mayor, the Board of Supervisors, the Law Library, and possibly certain City Attorney functions (see Comment 6 below) to be relocated from City Hall to the third and fourth floors of the War Memorial Veterans Building, which comprises approximately 64,000 square feet. This space is currently being occupied by the Museum of Modern Art, which is scheduled to relocate to a new building in Yerba Buena Center between September and October of 1994.

The Real Estate Department reports that the War Memorial Board of Trustees, on February 10, 1994, adopted a resolution approving the City's temporary use of the third and fourth floors of the War Memorial Veterans building and has authorized the execution of a proposed MOU.

BOARD OF SUPERVISORS
BUDGET ANALYST

Under the proposed MOU, the City would reimburse the War Memorial Board of Trustees for actual costs associated with building operations (i.e., utilities, janitorial) specific to the City's use of the premises for the term of the MOU. The City will not pay any rental costs to the War Memorial for the use of this space. For purposes of budgeting, the Real Estate Department has estimated the City's building operations costs at approximately \$448,000 annually (\$7.00 per square foot per year or \$0.58 per sq. ft. per month x 64,000 square feet). The War Memorial Board of Trustees would continue to furnish all standard building services and utilities. Additionally, the proposed MOU would provide that the City shall complete, at its own cost, all tenant improvements necessary to the normal operation of the proposed City tenants. According to the Real Estate Department, although the War Memorial may derive some future benefit from the tenant improvements, the War Memorial was not requested to pay a share of these tenant improvement costs given that the City is not being charged rent for the use of this space. The Real Estate Department estimates that the City's tenant improvements at the War Memorial will cost \$1,449,625. The Real Estate Department estimates that the total building operations, tenant improvement costs, and all other relocation costs (including the move out and the return move to City Hall) shall not exceed a total amount of \$4,149,330. The Real Estate Department advises that the CAO had directed the Relocation Committee to keep the relocation project within the overall relocation budget of \$37,946,383. As such, according to the Real Estate Department, if the \$4,149,330 is exceeded, an attempt would be made to account for such increase within the existing budget by lowering the cost elsewhere in the budget. In any event, according to the Real Estate Department, any excess spending beyond the overall budget amount, would require further consideration by the Board of Supervisors.

Upon expiration of the MOU on December 31, 1997, the MOU also provides that the City shall have two options, to extend the MOU for periods of six months each and authorizes the Director of Property to exercise these options without subsequent approval by the Board of Supervisors. In the event that both options are exercised, the Real Estate Department estimates the total building operations costs would not exceed \$448,000 (\$7.00 per square foot per year x 64,000 square feet or \$224,000 for each six month option). It should be noted that these option costs are not

BOARD OF SUPERVISORS
BUDGET ANALYST

included in the total not to be exceeded amount of \$4,149,330 noted above (see Comment 2 below).

The proposed MOU would also include a hold harmless clause, which would hold the War Memorial Trust and its Board of Trustees harmless against any and all claims, costs and expenses, including, without limitation, reasonable attorneys' fees, incurred as a result of the City's use of the premises, any default by the City in the performance of its obligations under the MOU or any acts or omissions on the part of the City with respect to the use of the premises.

Item 9, File 64-94-3 - The proposed resolution would authorize a lease of real property at 633 Folsom Street, between the City and the General Partnership of the Swig Investment Company, the Robert Haynie Family, the Adlai Stevenson Family and the Weiler Investment Company, for the temporary relocation of the Municipal and Superior Civil Courts, Court-related Administrative Divisions and other City departments and operations as follows: the Registrar of Voters, the Sheriff and the Reproduction/Mail operations of the Purchasing Department.

The Real Estate Department advises that the relocation plan provides for the Municipal and Superior Courts, the Court-related Administrative Divisions and the other City departments and functions noted above to be relocated from City Hall to the entire vacant building, located at 633 Folsom Street. This building contains seven floors, which total approximately 170,256 square feet of space.

Under terms of the proposed lease, which would commence on or about January 1, 1995 (but no later than March 31, 1995) and expire on December 31, 1997, the City would pay a base rental amount of \$212,820 per month (\$1.25 per square foot per month x 170,256 square feet). The total annual base rental amount would be \$2,553,840 (\$212,820 per/month x 12 months) or \$7,661,520 over the three year term of the lease. In addition to this base rental amount, the City would also pay for electricity totaling approximately \$504,864 over three years, bringing the total amount payable over the three year term of the lease to \$8,166,384 (\$7,661,520 rent plus \$504,864 electricity). Upon commencement of the proposed lease, the City would pay the landlord 18 months rent in advance, amounting to \$3,830,760 (see Comment 3 below). The landlord would be responsible for standard building services and utilities, except electricity, and the City would be responsible for

BOARD OF SUPERVISORS
BUDGET ANALYST

electricity as noted above and janitorial services. The Real Estate Department advises that the City will provide its own janitors with City employees at an estimated annual cost of \$224,738 (\$1.32 per square foot x 170,256 square feet). The Real Estate advises that these costs would be comparable to the costs incurred if these employees were still assigned to City Hall. The Real Estate Department reports that the City is assuming responsibility for the janitorial services in order to retain the janitorial positions currently assigned to City Hall.

The proposed lease also provides that the landlord shall complete all building code improvements required for the City's occupancy at the landlord's expense. The landlord shall also complete all tenant improvements on behalf of the City and be financially responsible for up to \$1,532,304 or up to 22.7 percent of such tenant improvement costs. The Real Estate Department estimates the total cost of tenant improvements at \$6,744,964, of which the City's share of costs will be approximately \$5,212,660 or 77.3 percent. The Real Estate Department states that in general, for a typical long term lease, the landlord's share of tenant improvements would range from \$25 to \$35 per square foot. The Real Estate Department advises however, that because this lease is short term and is not typical with regard to the base improvements required to bring the building up to code, the landlord's share of tenant improvements is only \$9 per square foot. According to the Real Estate Department, the following factors were taken into consideration in negotiating the landlord's share of cost: (1) the base improvements, which are to be paid by the landlord, are estimated to be significantly higher than the norm (2) given the short term of the lease, the landlord will not be able to take advantage of amortizing tenant improvement costs over a long term period and (3) a considerable portion of the tenant improvements will be unique to the City's use and as such will have little if any residual benefit to the landlord once the City vacates the premises. The Real Estate Department adds that, as of the writing of this report, the landlord was in the process of preparing an estimate of base improvements costs which was not available at this time.

The Real Estate Department estimates that the City's total rent, its share of tenant improvements and all other relocation costs (including the move out and the return move to City Hall) shall not exceed a total cost of \$15,880,576. The Real Estate advises the CAO has directed the Relocation Committee to keep the relocation project

BOARD OF SUPERVISORS
BUDGET ANALYST

within the overall relocation budget of \$37,946,383. As such according to the Real Estate Department, if the \$15,880,567 is exceeded, an attempt would be made to account for such increase within the existing budget by lowering the costs elsewhere in the budget. In any event, according to the Real Estate Department, any excess spending beyond the overall budgeted amount, would require further consideration by the Board of Supervisors.

Additionally, the proposed lease provides that the City shall have two options to extend the lease for periods of six months each and authorizes the Director of Property to exercise these options without subsequent approval by the Board of Supervisors. In the event that both options are exercised, the Real Estate Department estimates in the proposed resolution that the total rent for both of the option periods shall not exceed \$2,553,840 (\$212,820 base rent per month x 12 months or \$1,276,920 for each six month option). It should be noted that these option costs are not included in the total not to exceed amount of \$15,880,576 (see Comment 2 below)

Item 10, File 64-94-4 - The proposed resolution would authorize a lease of real property at 875 Stevenson Street, commonly known as the San Francisco Mart (Mart II) for the temporary relocation of the following other City departments and operations currently located at City Hall: the Assessor, the Treasurer, the Tax Collector, the County Clerk Recorder, the Controller, the Purchaser, the Department of Public Works, the Chief Administrative Officer, Civil Service, the Human Resources Department, Transportation/Communication operations, Convention Facilities operations and Permit Appeals operations. The owner of the 875 Stevenson Street building is Western Merchandise Mart.

The Real Estate Department advises that the relocation plan provides for the above-noted City departments and operations to be relocated from City Hall to floors 1, 2, 3, 4, and 5 of the ten floor building. In total, these five floors contain approximately 175,000 of which the City will occupy 150,000 square feet, plus or minus 15 percent depending upon the amount of space needed by the City.

Under the terms of the proposed lease, which would commence on or about January 1, 1995 (but no later than March 31, 1995) and expire on December 31, 1997, the City would pay a base rental amount of approximately \$186,000 per month (\$1.24 per square foot per month x 150,000

BOARD OF SUPERVISORS
BUDGET ANALYST

square feet). The total annual base rental amount would be \$2,232,000 plus or minus 15 percent (\$186,000 per/month x 12 months) or \$6,696,000 over the three year term of the lease plus or minus 15 percent. In addition to the base rental amount, the City would also pay a total of approximately \$150,000 in electricity costs, bringing the total amount to be paid over the three year term of the lease to \$7,146,000 (\$6,696,000 rental plus \$450,000 electricity). Upon commencement of the proposed lease, the City would pay the landlord 18 months rent in advance, amounting to approximately \$3,348,000 (see Comment 3 below). The landlord would be responsible for standard building services and utilities except electricity and the City would be responsible for electricity as noted above and janitorial services. According to the Real Estate Department the City will provide its own janitors with City employees at an estimated annual cost of approximately \$198,000 (\$1.32 per square foot x 150,000 square feet). The Real Estate Department reports that these costs would be comparable to the costs incurred if these employees were still assigned to City Hall. The Real Estate Department reports that the City is assuming the cost of the janitorial services in order to retain the janitorial positions currently assigned to City Hall.

The proposed lease also provides that the landlord shall complete all building code improvements required for the City's occupancy at the landlord's expense. The landlord shall also complete all tenant improvements on behalf of the City and be financially responsible for up to \$1,350,000 or 27.7 percent of such tenant improvement costs. The Real Estate Department estimates that the tenant improvements will cost a total of \$4,870,974, of which \$3,520,974 or 72.3 percent would represent costs to the City. The Real Estate Department negotiated the City's share of these tenant improvements based on the same factors noted above for the 633 Folsom street lease. Like the 633 Folsom lease, this lease is a short term lease and the base improvements, which would be paid for by the landlord, are expected to be significantly higher than the norm because the space is currently used for showrooms and will have to be converted to use as office space. The Real Estate Department reports that the landlord is in the process of estimating the cost for the base improvements and such estimate is not available as of the writing of this report.

The Real Estate Department estimates that the City's total rent, its share of tenant improvements and all other

BOARD OF SUPERVISORS
BUDGET ANALYST

relocation costs (including the move out and the return move to City Hall) shall not exceed a total amount of \$14,567,992. As noted above, the Real Estate Department advises that these costs are not expected to be exceeded and in the event that they are, the Department would seek to lower other costs in the overall budget of \$37,946,383 to adjust for any such increase.

Additionally, the proposed lease provides that the City shall have two options to extend the proposed lease for periods of six months each and would authorize the Director of Property to exercise these options if necessary as determined by the CAO, without subsequent approval of the Board of Supervisors. In the event that both options are exercised, the Real Estate Department estimates that the total rental costs would not exceed \$2,232,000 (\$186,000 base rent x 12 months or \$1,116,000 per each six month option). It should be noted that these option costs are not included in the total not to exceed amount of \$14,221,251 (see Comment 2 below).

Comments:

1. A summary of the Real Estate Department's total estimated costs of the MOU, and the two leases over the three year term and all other associated relocation costs is shown below:

	<u>War Memorial MOU</u>	<u>633 Folsom Lease</u>	<u>875 Stevenson Lease</u>	<u>Other Locations*</u>	<u>Total</u>
Moving Costs	\$406,500	\$435,000	\$412,000	\$13,000	\$1,266,500
Leasing Costs (three year term)	--	8,166,384	6,760,270	471,542	15,398,196
Building Operations (three year term)	1,323,945	--	--	--	1,323,945
Tenant Improvements	1,449,625	5,212,660	3,520,974	853,888	11,037,147
Computer Relocation	\$310,000	\$412,000	\$1,156,000	\$1,264,000	\$3,142,000
Telecommunications	284,000	443,000	1,648,000	1,016,000	3,391,000
Other Cost	<u>375,260</u>	<u>1,211,532</u>	<u>724,008</u>	<u>76,795</u>	<u>2,387,595</u>
Total	\$4,149,330	\$15,880,576	\$14,221,252	\$3,695,225	\$37,946,383

BOARD OF SUPERVISORS
BUDGET ANALYST

- * The other locations costs include the following City functions, which are not the subject of this report, which are in the process of being relocated from City Hall or have already been relocated: DPW basement storage, ISD, Department of Electricity and Telecommunications (Telephone Switch) and DPW Testing Lab. The total cost of the portion of the relocation project which is the subject of this report is \$34,251,158 (\$37,946,383 minus \$3,696,225).

2. The Real Estate Department advises that the MOU, the two leases and all associated relocation costs, totaling an estimated amount not to exceed \$37,946,383 will be entirely paid for by previously allocated 1990 Earthquake Safety Program, Bond Funds (Phase II). As noted above, the costs for the lease options totaling \$5,233,840 (\$448,000 for the War Memorial Veterans Building MOU, \$2,232,000 for the 875 Stevenson Street lease and \$2,553,840 for the 633 Folsom Street lease) are not included in the total estimated amount of \$37,946,383. The Real Estate Department reports that the reason these costs are not included is because the Relocation Committee does not anticipate actually having to exercise the options. According the Real Estate Department the options were negotiated to safeguard against any unforeseen time delays. The Real Estate Department advises that costs associated with these options would be paid for by the Earthquake Bond Fund monies.

3. The Real Estate Department advises that it agreed to the 875 Stevenson Street landlord's request for an 18 month advance rent payment of approximately \$3,348,000 as a part of the lease negotiations which involved, among other considerations, the landlord agreeing to charge a lower rental rate to the City than the amount it originally intended to charge. The Real Estate Department reports that the 18 month advance rent payment of \$3,830,760 provided for under the terms of the 633 Folsom Street lease was negotiated in order to make the terms of that lease consistent with those of the 875 Stevenson Street lease and to recognize the substantial upfront expenditure by both landlords to bring the base building up to building code standards for City occupancy. According to the Real Estate Department, there was a need to make the two leases consistent with respect to the prepayment of 18 months of rent. Although the Real Estate Department has provided the Budget Analyst with various documentation pertaining to the lease negotiations, the Budget Analyst continues to question the necessity for the City to prepay 18 months of rent to the landlords of both the 875 Stevenson Street and the 633 Folsom Street buildings.

BOARD OF SUPERVISORS
BUDGET ANALYST

4. As noted above, the CAO on being advised that the seismic repair and retrofit of City Hall could not be completed in phases with City employees occupying portions of the building as originally planned, recommended relocating all City employees out of City Hall as soon as possible in order to facilitate the most expeditious and cost effective seismic retrofit of City Hall.

5. The Real Estate Department reports that, in undertaking the task of locating suitable sites for the relocation of the City Hall employees, a major part of this effort was to (1) find sites which would be least disruptive to the individual City department's functions and operations and (2) which would be least disruptive to the inter-relationships of the various City departments and functions within the Civic Center area.

The Real Estate Department advises that the selection of the appropriate sites involved a multi-step process undertaken by the Real Estate Department and the DPW, Bureau of Architecture over approximately a year and a half period of time. The first step involved surveying numerous privately owned and publicly owned buildings in the City (in excess of 40 buildings). The Real Estate Department specifically evaluated the following three public buildings, the State building located at 525 Golden Gate Avenue, the Cal Trans building located at 150 Oak Street and the University of California, San Francisco building located at 3333 California Street. According to the Real Estate Department, after these buildings were evaluated, it was determined that these sites would require extensive rehabilitation in order to make them suitable for occupancy and the cost for such rehabilitation would have been prohibitive. The second step involved the Real Estate Department's issuance of a Request for Proposals (RFP) which targeted private building owners with buildings containing at least 150,000 square feet of contiguous available space. In response to the RFP, the Real Estate Department received 10 inquiries from building owners, of which six submitted lease proposals. Following the receipt of these proposals, the next step taken was to analyze the proposals to determine which sites met the criteria of being the most cost effective and at the same time provided the best opportunity for the City departments to continue to operate efficiently on an individual basis as well as in relationship to related City departments and functions in the Civic Center area. According to the Real Estate

Department, the three sites which were selected best met this criteria.

6. As noted above, the Real Estate Department has not yet determined whether certain functions of the City Attorney's Office will be relocated to the War Memorial. If these functions are not moved to the War Memorial they will be relocated to the 875 Stevenson Street site. As of the writing of this report, the City Attorney is now in agreement with the proposal to relocate the City Attorney functions in question to the War Memorial building.

7. The Real Estate Department reports that the total current occupied usable square footage in City Hall is 321,555 square feet and that the total usable square footage of space at the proposed three sites combined is approximately the same amount of square feet as City Hall. This usable square footage at the new sites excludes the approximately 48,233 square feet of common area at the new sites (i.e., halls, corridors, restrooms). However the precise documentation for the common space versus the usable space for both City Hall and the new sites has not been provided.

8. The CAO reports that he is in the process of negotiating with the Federal Emergency Management Agency (FEMA) regarding the level of funding which will be allocated to the City for the seismic retrofit of City Hall. The CAO advises that FEMA has hired its own Structural/Mechanical Engineers to make a determination as to the degree of construction work required to perform the necessary seismic retrofit of City Hall. According to the CAO, FEMA's allocation to the City may be based on its own engineers' determination as to the level of construction work required to implement the City Hall seismic retrofit. The FEMA funds would be used to off-set the bond funds earmarked for this project. The CAO states that it will be months before the City will receive notice from FEMA as to the amount of funds that will be allocated to this project. According to the CAO, it is likely that the total cost of the City Hall seismic retrofit will be considerably higher than the \$128 million bond amount originally allocated to this project due to an increase in construction and relocation costs. The funds to be appropriated for the seismic retrofit of City Hall would be the subject of separate legislation approved by the Board of Supervisors.

9. The Real Estate Department originally estimated that the relocation costs would total \$15.2 million or

BOARD OF SUPERVISORS
BUDGET ANALYST

approximately \$22.7 million less than the current estimated costs of \$37.9 million. This represents over a 149 percent increase in costs.

10. After the Folsom Street lease ends, the Municipal and Superior Courts will be relocating to a new Courthouse on McAllister and Polk Streets. However, the future use of the third and fourth floors of City Hall, currently occupied by the Courts, has not been determined.

11. The Budget Analyst does not question the necessity for the proposed temporary relocation of the occupants of City Hall. However the Budget Analyst does question the necessity for the City (a) to prepay 18 months of rent or a total of over \$7.1 million including \$3.8 million to the lessor of the 633 Folsom Street building (the General Partnership of the Swig Investment Company, the Robert Haynie Family, the Adlai Stevenson Family and the Weiler Investment Company) and (b) to prepay 18 months of rent or \$3.3 million to the lessor of the 875 Stevenson Street building (the Western Merchandise Mart). Therefore, the Budget Analyst considers approval of this requested legislation to be a policy matter for the Board of Supervisors.

Recommendation: In accordance with Comment No. 11 above, the Budget Analyst considers approval of the three proposed resolutions to be a policy decision for the Board of Supervisors.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 11 - File 101-93-92

Note: This item was continued from the March 9, 1994 Budget Committee meeting.

Department: Academy of Sciences, Steinhart Aquarium

Item: Supplemental Appropriation Ordinance, appropriating \$655,700, for a facilities maintenance project at the Academy of Sciences involving the repair of the Fish Roundabout tank at the Steinhart Aquarium and appropriating \$154,307 to the General Fund Reserve, and rescinding \$810,007 from a capital improvement project (City Hall roof and skylight repairs) at the Department of Public Works for fiscal year 1993-94.

Amount: \$810,007

Source of Funds: Capital Improvement Projects Fund (General Fund monies)

Description: The proposed supplemental appropriation would appropriate a total of \$810,007, including (a) \$655,700 which would be used for a facilities maintenance project at the Academy of Sciences involving the renovation of the Fish Roundabout tank and disabled access modifications to the Academy of Sciences' restroom facilities and other facilities (i.e., telephones and drinking fountains) and areas throughout the Academy of Sciences building, and (b) \$154,307, which would be reappropriated to the General Fund Reserve.

Of the \$655,700 requested for the Academy of Sciences, \$605,700 would be used to pay for the renovation of the Fish Roundabout tank and the remaining \$50,000 would be used to pay for the disabled access modifications noted-above. The Fish Roundabout tank is a circular viewing tank, containing numerous varieties of fish, which is approximately 66 feet in diameter. The Academy of Sciences reports that the Fish Roundabout tank has been operating continuously since 1977 and the gaskets supporting the tank structure are failing, which has resulted in leaks. According to the Academy of Sciences, these leaks are causing considerable damage to the tank and its surrounding area. Additionally, the Academy of Sciences is concerned that the faulty gaskets could result in the tank's viewing windows failing, which would cause flooding throughout the Academy of Sciences' building. The Academy of Sciences advises that thus far, the structural integrity of the building itself does not appear to be compromised, however, continued delay in the necessary repairs to the tank could result in structural damage, which would require major

BOARD OF SUPERVISORS
BUDGET ANALYST

building repairs and much greater expense than that involved in just the repair of the tank and its surrounding area.

According to the Academy of Sciences, the disability access modifications would include disabled access path signage, an additional hand rail along the tank ramp, and modifications to pay phones, entrance doors, counters, restrooms and drinking fountains. The repairs to the Fish Roundabout tank would involve replacement of the faulty gaskets, corrosion repair, removal and replacement of acrylic windows, removal and repair of defective concrete in the roof beams, recoating of the surface of the surrounding floors, repair and replacement of filters, valves and pumps and removal and storage of the fish during the duration of the project.

The supplemental appropriation in the amount of \$655,700 for the repair of the Fish Roundabout tank and the disabled access modifications would be expended as follows:

Construction Contract	\$472,700
Construction Contingency (10%)	47,300
Plans and Specifications (DPW)	5,500
Construction Management (DPW)	47,300
Study*	4,500
Disabled Access Modifications	50,000
Removal/Maintenance of Fish	<u>28,400</u>
Total	\$655,700

*Mr. John McCosker of the Academy of Sciences advises that the Study noted above, will entail an examination of the existing conditions of the Roundabout tank to determine where specific detailed attention must be given with regard to construction. According to Mr. McCosker, the study's findings are not expected to significantly alter the overall scope or estimated cost of the project.

Comment:

The Academy of Sciences reports that the contractors needed to perform the repair of the Fish Roundabout tank and the disabled access modifications have not, as yet, been selected. Additionally, the Academy of Sciences advises that the contractor has not yet been selected for the study. As such, the proposed legislation should be amended to place a total of \$574,500 (\$472,700 for Construction Contract, \$47,300 for Construction Contingency, \$50,000 for Disabled Access Modifications and \$4,500 for the Study) of the \$655,700 earmarked for the Academy of Sciences on reserve pending the Department's submission of information on the MBE/WBE status of the contractors and the contract cost details.

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Budget Committee
March 16, 1994

Recommendation: Amend the proposed ordinance to place a total of \$574,500 on reserve pending the Academy of Sciences' submission of information on the MBE/WBE status of the contractors and the contract cost details and approve the ordinance as amended.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 12 - File 101-93-94

Note: This item was continued from the March 9, 1994 Budget Committee meeting.

Department: Department of Public Health (DPH)

Item: Supplemental Appropriation Ordinance appropriating \$1,495,177 in Medi-Cal revenues to adjust San Francisco General Hospital's participation in the SB 855 Disproportionate Share Payment Program for fiscal year 1993-94, and transferring the revenues to DPH, Community Health Services, Other Non-Personal Services.

Amount: \$1,495,177

Source of Funds: San Francisco General Hospital (SFGH) Medi-Cal net revenue.

Description: Senate Bill 855 (SB 855) established a payment adjustment program that provides a mechanism for additional supplemental payments to the State's disproportionate share hospitals, such as SFGH. A disproportionate share hospital is defined as a hospital with a Medi-Cal inpatient and indigent utilization rates higher than the State average. Under this Payment Adjustment Program, the City is required to make a transfer of funds to the State Department of Health Services (SDHS). The State obtains matching Federal funds to the transferred funds and the transferred funds plus the matching Federal funds are then distributed back to SFGH as Medi-Cal revenues based on Medi-Cal patient days of services. The amount that the City must transfer to the SDHS is based on a statutory formula.

For the third time this fiscal year, the State has increased the amount of the transfer payment that must be made in order to receive disproportionate share payments. This modification is to take advantage of a Federal regulation which permits States to make supplemental payments to disproportionate share hospitals. The computed transfer payment increase required is \$1,495,177. In return, the SFGH is informed that increased disproportionate share payments will equal \$2,580,985, for a net gain of \$1,085,808.

The table below summarizes the appropriations for SB855 transfer payments and disproportionate share payments for the 1993-94 fiscal year.

1993-94 Chronology of SB855 Appropriations

	Department of Public Health Transfer <u>Payment to State</u>	Disproportionate Share <u>Payment to SFGH</u>	<u>Net Gain</u>
Original 1993-94 Budget	\$46,488,622	\$74,828,907	\$28,340,285
First Revision - December 1993 (File 101-93-40)	7,500,449	7,769,793	269,344
Second Revision - February 1994 (File 101-93-75)	1,421,450	999,400	(422,050)
This Supplemental Appropriation (File 101-93-94)	<u>1,495,177</u>	<u>2,580,985</u>	<u>1,085,808</u>
Total	\$56,905,698	\$86,179,085	\$29,273,387
Increase over original budget	\$10,417,076	\$11,350,178	\$933,102

Comments:

1. SFGH is now forecasting a revenue shortfall of approximately \$20.1 million which must be overcome by either reduced SFGH spending or increases in other revenue sources.

The SFGH has been reporting on the status of the current year revenue shortfall to the Health Commission, the Mayor, Controller and Budget Analyst since January, 1994. The \$20.1 million revenue shortfall is being corrected by reducing expenditures and realizing increased revenue as follows:

Expenditure Reductions (in \$millions)

Salaries and benefits	\$4.3
Materials and Supplies	2.0
Contract Services	<u>1.8*</u>
Total Expenditure Reductions	\$8.1

Revenue Increases (in \$millions)

SB 910 Medi-Cal	\$1.6 **
Psychiatric Inpatient Revenue	2.2
SB 855 Retroactive Disproportionate Share	7.2 ***
Additional SB 855 Revenue (subject of this Supplemental Appropriation)	<u>1.0</u>
Total Revenue Increases	<u>\$12.0</u>
Total Expenditure Reductions and Revenue Increases	\$20.1

BOARD OF SUPERVISORS
BUDGET ANALYST

- * Includes \$1.0 million reduction to UC Medical Contract Services.
- ** Reimbursement for costs to establish eligibility for new Medi-Cal recipients.
- *** Previously approved retroactive disproportionate share payments for fiscal years 1991-92 and 1992-93.

Based on the plan to eliminate the SFGH revenue shortfall described above, the DPH and SFGH are recommending that the increase of \$1,085,808 in SB855 net revenue be applied to the projected SFGH revenue shortfall.

2. The net gain to the City in 1993-94 as a result of participation in the State's disproportionate share Payment Adjustment Program, including the additional subject gain of \$1,085,808, is \$29,273,387.

Recommendation: Based on the net additional revenue gain to the SFGH of \$1,085,808, approve the proposed supplemental appropriation.

Memo to Budget Committee
March 16, 1994

Item 13 - File 47-94-5

Note: This item was continued from the March 9, 1994 Budget Committee meeting.

Department: Department of Parking and Traffic (DPT)

Item: Resolution to increase parking rates at the City-owned Fifth and Mission Parking Garage facility.

Description: The San Francisco Parking and Traffic Commission has oversight responsibility for City-owned parking facilities. This responsibility includes reviewing annually the parking rates charged at City-owned garages and lots and making recommendations to the Board of Supervisors for changes in such parking rates. The Commission, as a result of their annual rate analysis, recommends an increase in the rates at the Fifth and Mission Garage. The hourly parking rates for the Fifth and Mission Garage were last increased in 1988, and the monthly rates were last increased in 1991.

The Commission approved a resolution on February 15, 1994, recommending that the Board of Supervisors approve the following rate increases at the City-owned Fifth and Mission Garage:

<u>Hourly</u>	<u>Current</u>	<u>Proposed</u>	<u>Percent Increase</u>
0-1	\$0.75	\$1.00	33%
1-2	1.25	2.00	60
2-3	2.50	3.00	20
3-4	4.00	5.00	25
4-5	5.50	8.00	45
5-6	7.00	10.00	43
6-7	9.00	12.00	33

<u>Monthly</u>	<u>Current</u>	<u>Proposed</u>	<u>Percent Increase</u>
Reserved Space	None	\$250.00	--
Reserved Area	None	200.00	--
Regular	\$130.00	150.00	15%

BOARD OF SUPERVISORS
BUDGET ANALYST

Comments:

1. Mr. Kevin Hagerty, Director of Off-Street Parking, reports that the 1992-93 average monthly gross receipts from the Fifth and Mission Garage was approximately \$331,333 or approximately \$3,976,000 annually. Mr. Hagerty advises that the DPT estimates that the proposed parking rate increases would result in an estimated increase in the Garage's FY 1993-94 monthly gross receipts of approximately \$129,167, or approximately \$1,550,004 annually. This would increase the Fifth and Mission Garage's annual gross receipts from approximately \$3,976,000 to \$5,526,004.

2. According to Mr. Hagerty, the Fifth and Mission Garage recently completed Phase I of its seismic retrofit and expansion project (creating 840 new spaces). This \$20,500,000 for the project involved the use of Downtown Parking Corporation Reserve Funds, a transfer of reserve funds from the Uptown Parking Corporation and the sale of \$15,800,000 in Downtown Parking Revenue Bonds, Series 1993. Mr. Hagerty advises that the bond financing requires that the City set rates to generate sufficient funds to cover debt services. Mr. Hagerty advises that if the proposed rate increases are approved, based on the estimated \$5,526,004 in gross receipts, and after the payment of the parking tax (\$1,092,084), gross receipt tax (\$1,108,480), operating expenses (\$1,575,000) and bond payment (\$1,321,065), the proposed rate increases would result in an estimated \$429,375 in net revenue annually. Mr. Hagerty advises that during the seismic retrofit construction and expansion of the City-owned Fifth and Mission Garage, since the garage could not generate sufficient revenues, funds were provided in the project financing plan to cover the bond payments. However, now that this construction has been completed, the City-owned Fifth and Mission Garage must generate sufficient revenues to cover these costs, according to Mr. Hagerty.

3. According to Mr. Hagerty, the estimated annual net revenue of \$429,375 would be allocated towards funding Phase II of the City-owned Fifth and Mission Garage renovation project. Mr. Hagerty reports that the estimated annual net revenues of \$429,375 would be placed in a reserve fund until sufficient monies are accumulated to pay for Phase II work which is estimated to cost approximately \$1.2 million. The Phase II work involves the renovation of the Mission Street facade of the parking structure. Mr. Hagerty advises that the City-owned Fifth and Mission Garage is leased to the Downtown Parking Corporation which is a non-profit corporation designed for the purpose of financing the garage's construction. Mr. Hagerty further advises that upon completion of Phase II work, the Downtown Parking Corporation will begin remitting

85% of the annual net revenues (keeping the remaining 15% for capital improvements) generated by the City-owned Fifth and Mission Garage to the City, in accordance with the current lease agreement between the Downtown Parking Corporation and the City.

4. A comparison of parking rates at other nearby garages is attached. This table, from a November 1993 Budget Analyst Audit report of the Department of Parking and Traffic shows that not only are the existing rates at the City-owned Fifth and Mission Garage lower than surrounding private garages, but they are also lower than surrounding City-owned garages. If the proposed rates are approved, the rates at the City-owned Fifth and Mission Garage would still be lower than surrounding private garages, and would be roughly equal to rates at nearby City-owned garages.

5. At the March 9, 1994 Budget Committee meeting, the Budget Committee raised questions regarding the appropriateness of the Fifth and Mission Garage having approximately the same parking rates as other City parking garages in the Financial District and Union Square areas. According to Mr. Hagerty, the City is required to set the parking rates at the Fifth and Mission Garage at sufficient levels in order to generate 1.3 times the net income over the debt service requirements, in accordance with the Downtown Parking Corporation lease, which was approved by the Board of Supervisors. Based on an annual debt service of \$1,321,065, the Fifth and Mission Garage must therefore generate a minimum net income of approximately \$1,717,400 (\$1,321,065 times 1.3). As reflected in Comment 2 above, Mr. Hagerty estimates that the Fifth and Mission Garage will generate approximately \$1,750,440 (\$1,321,065 annual bond payment plus \$429,375 net revenue), after payment of the City's parking tax, gross receipt tax and operating expenses. Therefore, based on the current projections of the Parking and Traffic Department, the City would only generate approximately \$33,040 annually more than is required by the lease, under the proposed new rates.

These additional income requirements are a result of the recent completion of a \$20 million renovation project at the Fifth and Mission Garage which added two floors of additional parking, installed new revenue control equipment and high speed elevators, created a new central lobby area, expanded the bicycle parking area and repainted and relighted the entire facility, which makes the Fifth and Mission Garage a more attractive facility, according to Mr. Hagerty. In addition, Mr. Hagerty reports that vehicles parking six hours or more would

pay lower rates at the Fifth and Mission Garage than at the other Financial District and Union Square City parking garages.

Mr. Hagerty also reports that it would be difficult to charge different rates to various users of the Fifth and Mission Garages because it would be extremely difficult to differentiate users that are attending activities at Moscone Center from users that are going to downtown shopping activities.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Non-Profit Garages				Direct Operation Garages		Private Garages	
Sutter-Stockton Garage	Fifth & Mission Garage	Ellis-O'Farrell Garage	Portsmouth Square Garage	Union Square Garage	St. Mary's Garage	Golden Gateway Garage	North of Market Motors
1 Hour	\$0.75	\$1.00	\$1.00	\$2.00	\$4.00	\$3.00	\$1.50
2 Hours	1.25	2.00	2.50	3.75	7.50	6.00	
3 Hours	2.50	3.00	4.50	7.00	11.50	9.00	
4 Hours	4.00	5.00	7.00	9.00	17.00	12.00	
5 Hours	5.00	8.00	9.00	11.00	17.00	15.00	
6 Hours	7.00	11.50	11.50	15.00	17.00	18.00	
7 Hours/Max	9.00	14.75	14.25	16.50	17.00	18.00	
Monthly	250.00	130.00	250.00	310.00	260.00	260.00	12.00-25.00
Early Bird	9.00			8.50	10.00	12.00	200-385
							17.05
							277.13
							12.44

Table 3.3: Parking Rates of Remaining City-Owned Garages and Surrounding Meter Rates

Non-Profit Garages		Direct Operation Garages					
Civic Center Garage	Japan Center Garage	Lombard Garage	Mission-Bartlett Garage	Moscone Garage	Performing Arts Garage	Polk-McAllister Parking Lot	7th & Harrison Parking Lot
1 Hour	\$0.75	\$0.75	\$0.50	\$1.00	\$1.00	\$2.00	\$1.50
2 Hours	1.50	1.50	1.25	2.50	2.00	3.50	2.50
3 Hours	2.75	2.50	2.00	4.00	3.50	4.50	3.75
4 Hours	4.00	4.25	2.75	5.50	5.00	5.50	5.00
5 Hours	5.00	5.50	3.50	7.00	6.50	7.00	6.25
6 Hours	6.00		4.25	9.00	8.00	9.00	
7 Hours	7.00		5.00	12.00	8.00	9.00	
8 Hours	8.50						
Monthly	156.25	100.00	75.00	145.00	115.00		
Early Bird	5.50			7.00			
							\$1.00

Sources: San Francisco Department of Parking and Traffic; Cushman and Wakefield "Central Business District Parking Survey 1993"

Item 14 - File 38-94-2

Departments: Real Estate Department
Department of Public Health (DPH)
Public Library

Item: Resolution authorizing the Director of Property to: (1) accept a gift of real property and cash on behalf of DPH and the Public Library; (2) begin the process of disposing of the real property; and (3) effectively manage these properties until they are sold.

Amount: \$350,000 Cash
375,000 Property
\$725,000 Total Estimated Value

Source of Gift: Estate of John B. Fortunio.

Description: The estate of John B. Fortunio includes: (1) cash holdings; (2) a four-unit apartment building located at 2110-2112 Pine Street; and (3) a one-half interest in a four-unit apartment building located at 365 Haight Street.

According to the will of Mr. Fortunio, five-sixths of these assets are bequeathed to specific City departments, and one-sixth is bequeathed to the University of San Francisco, as shown below. Based on the five-sixths/one-sixth ratio, the City is expected to receive \$350,000 in cash and \$375,000 from the sale of the real estate. The gift is to be bequeathed as follows:

- One-third (1/3) to the Department of Public Health, Laguna Honda Home, for food, clothing, medicine, entertainment equipment and other articles;
- One-third (1/3) to the Department of Public Health, AIDS Ward of San Francisco General Hospital for food, clothing, medicine, entertainment equipment and other articles; and
- One-sixth (1/6) each to the University of San Francisco and the San Francisco Public Library, for books, capital improvements, improvement of library facilities, or audio-visual equipment. The value of the gift to the University of San Francisco is in addition to the total gift amount to the City of \$725,000 shown above.

Both DPH and the Public Library plan to use these funds as specified in the will. In addition, the Director of Property estimates that funds from the sale of the real estate could be available for departmental use within the next six to twelve months.

Comments:

1. Based on estimated, pre-appraised values, the following amounts would be received from this gift:

Laguna Honda	\$290,000
General Hospital, AIDS Ward	290,000
Public Library	<u>145,000</u>
TOTAL	\$725,000

2. Mr. Lawrence Wayte of the City Attorney's Office reports that the proposed resolution should be amended to reflect the fact that the City's portion of the cash holdings, estimated at \$350,000, is not to be shared with the University of San Francisco. Accordingly, Mr. Wayte advises that the following phrase should be added at the end of the parenthetical on page 1, line 22: "and which cash amount would not be shared with the University of San Francisco as it has already received its cash distribution from the estate."

Recommendations:

1. Amend the proposed resolution in accordance with Comment No. 1 above, so that the following phrase is added at the end of the parenthetical on page 1, line 22: "and which cash amount would not be shared with the University of San Francisco as it has already received its cash distribution from the estate."

2. Approve the proposed resolution, as amended.

Items 15 and 16 - Files 101-90-124.4 and 150-91-2.2

Department: Recreation and Park Department.

Items: File 101-90-124.4 - Release of reserved funds for the Recreation and Park Department, in the amount of \$579,501, for the Lake Merced Perimeter Path Improvement Project.

File 150-91-2.2 - Release of reserved funds for the Recreation and Park Department, in the amount of \$189,870, for the Lake Merced Perimeter Path Improvement Project.

Amount: \$769,371.

Source of Funds: \$579,501 - 1987 Park Improvement Bond Fund.
 189,870 - Land and Water Conservation Fund Grant.
 \$769,371

Description: The Board of Supervisors previously approved legislation appropriating \$7,648,988 from the 1987 Park Improvement Bond Fund for various capital improvement projects. At the same time, the Board placed \$5,248,650 of that amount on reserve pending contract cost details and information on the MBE/WBE status of the contractors. The Recreation and Park Department is now requesting that \$579,501 of these reserved funds be released. (File 101-90-124.4)

The Board of Supervisors also previously approved legislation authorizing the Recreation and Park Department to accept and expend \$189,870 in Federal grant funds, earmarked specifically for the Lake Merced Perimeter Path Improvement Project and placed the entire grant amount on reserve pending contract cost details and the MBE/WBE status of the contractors. (File 150-91-2.2)

The Department is now requesting that these reserved funds be released as the Lake Merced Perimeter Path Improvement Project has been put out to bid and awarded to G. Bortolloto & Co./Richardo Ramirez, a joint venture. Richardo Ramirez is an MBE firm and would receive 51% of the Project.

The Lake Merced Perimeter Path Improvement Project would repair and enhance the 5-mile multi-purpose recreational walkway that encircles Lake Merced. Specifically, the Project includes: (1) repairing the existing asphalt pathway; (2) adding a four-foot wide soft surface path for jogging alongside the existing asphalt path; (3) providing disabled access to the path and parking areas adjacent to the path; (4) providing curbing; (5) improving parking areas adjacent to the path; and (6) correcting shoreline erosion.

The Project budget includes the following costs:

Construction	\$656,415
Construction Contingency (15%)	98,462 *
Lab Testing	5,000
Indirect Costs	<u>9,494</u>
Subtotal (subject of this request)	\$769,371
Construction Management	<u>46,500 **</u>
TOTAL	\$815,871

* The construction contingency of \$98,462 is approximately 15% of total construction costs. This amount is higher than the "normal" contingency rate of 10% due to the fact that the Project is complicated by a number of factors, including an eroding shoreline and utility connections in the walkway.

** This \$46,500 was previously appropriated from the 1987 Park Improvement Bond Fund.

The bids that were received on this Project are shown below. With the ten percent MBE preference, G. Bortolloto & Co./Richardo Ramirez was the low bidder (with the preference, their bid equaled \$590,774).

Ghilotti Construction Company	\$605,241
G. Bortolloto & Co./Richardo Ramirez (MBE/LBE)	656,415
Glenwood Construction, Inc. (MBE)	664,505
A. Ruiz Construction Co. & Assoc., Inc. (MBE/LBE)	678,558
Marinship Construction/Ghilotti Brothers Construction (MBE/LBE)	713,482
AV & C Construction, Inc.	737,454
Pavex Construction/Granite Rock Company	769,697
Inter-Coastal, a Joint Venture (MBE/LBE)	794,768
O.C. Jones & Sons and Wedrell James, a Joint Venture (MBE/LBE)	822,893

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Budget Committee
March 16, 1994

Recommendation: Release the reserved funds.

Items 17, 18 and 19 - Files 101-92-60.5, 101-92-72.2 and 148-92-7.2

Departments: Fire Department
Department of Public Works (DPW)

Items: Releases of reserved funds totaling \$3,165,529, as follows:

Item 17, File 101-92-60.5	\$193,000
Item 18, File 101-92-72.2	1,887,627
Item 19, File 148-92-7.2	<u>1,084,902</u>
Total	\$3,165,529

The proposed funding would be used to make seismic improvements and remove asbestos at five Fire Stations and the Ashbury Tank House. The DPW Bureau of Architecture indicates that the requested release of \$193,000 from the reserve of 1992 Fire Protection Bonds monies (File 101-92-60.5) should be reduced by \$51,900 to \$141,100 to reflect the actual balance of reserved funds available for these projects. Therefore, the total of the proposed three releases and the total of the projects to be funded would also be reduced by \$51,900 from \$3,165,529 to \$3,113,629.

Amounts and

Sources of Funds: 1992 Fire Protection Bonds (File 101-92-60.5)	\$141,100
1989 Earthquake Safety	
Bonds (File 101-92-72.2)	1,887,627
Federal Hazard Mitigation	
Grant (File 148-92-7.2)	<u>1,084,902</u>
Total	\$3,113,629

Description: The proposed releases of reserves totaling \$3,113,629 involve three sources of funding for seismic improvements and asbestos removal at four Fire Stations and the Ashbury Tank House. The three sources of funds are as follows:

1992 Fire Protection Bonds (File 191-92-60.5)

The Board of Supervisors previously approved a \$15,307,533 supplemental appropriation ordinance (File 101-92-60) to appropriate the proceeds of the Series 1993D issue of the 1992 Fire Protection Bonds. Of the \$15,307,533 appropriated, \$10,408,825 was reserved for construction costs for seismic strengthening, asbestos abatement, disabled access and separate (male/female) restrooms at 16 Fire Stations and four other Fire Department facilities pending selection of the

construction contractors and determination of cost details and MBE/WBE status of the contractors.

The Board of Supervisors previously released a total of \$2,382,510 of the \$10,408,825 that was reserved for seismic strengthening, asbestos abatement, disabled access and separate restrooms leaving a current balance of \$8,026,315 on reserve. The Fire Department requests the release of \$141,100 to provide funding for seismic improvement construction, asbestos abatement and related costs at Fire Stations 15, 21, 38 and 11 and the Ashbury Tank House.

1989 Earthquake Safety Bonds (File 101-92-72.2)

The Board of Supervisors previously approved a \$15,430,000 supplemental appropriation ordinance (File 101-92-72) to appropriate the proceeds of the fourth bond sale of the 1989 Earthquake Safety Bonds. Of the \$15,430,000 appropriated, \$8,053,000 was reserved for construction costs for six Fire Stations, the Ashbury Tank House and the Fire Department Headquarters building pending selection of the construction contractors and determination of cost details and MBE/WBE status of the contractors.

The Board of Supervisors previously released \$545,123 of the \$8,053,000 that was reserved for construction costs leaving a current balance of \$7,507,877 on reserve. The Fire Department requests the release of \$1,887,627 to provide funding for seismic improvement construction, asbestos abatement and related costs at Fire Stations 15, 21, 38 and 11 and the Ashbury Tank House.

Federal Hazard Mitigation Grant (File 148-92-7.2)

The Board of Supervisors previously authorized the DPW to accept and expend a total of \$4,971,500 of Hazard Mitigation Grants of FEMA funding (File 148-92-7). Of the \$4,971,500 grant funding, \$4,798,964 for four comprehensive hazard mitigation projects was reserved pending selection of the construction contractors and determination of MBE/WBE status of the contractors. This reserve of \$4,798,964 includes \$1,209,500 for seismic improvements to five Fire Stations and the Ashbury Tank House.

The Board of Supervisors previously released \$124,598 of the \$1,209,500 that was reserved for seismic improvements leaving a current balance of \$1,084,902 on reserve. The Fire Department requests the release of the \$1,084,902 balance on reserve to provide funding for seismic improvement

construction, asbestos abatement and related costs at Fire Stations 15, 21, 38 and 11 and the Ashbury Tank House.

Budget: The proposed releases of reserves totaling \$3,113,629 would be used to fund seismic improvement construction, asbestos abatement and related costs for four Fire Stations and the Ashbury Tank House as follows:

Fire Station 15 (1000 Ocean Ave.)

Construction:

Seismic Improvements	\$477,190
Asbestos Abatement	<u>24,018</u>
Subtotal Construction	\$501,208

Project Contingency (11.0%)	55,000
-----------------------------	--------

Construction Services	<u>84,550</u>
-----------------------	---------------

Total Fire Station 15 Costs	\$640,758
-----------------------------	-----------

Fire Station 21 (1443 Grove St.)

Construction:

Seismic Improvements	\$383,185
Asbestos Abatement	<u>25,900</u>
Subtotal Construction	\$409,085

Project Contingency (12.2%)	50,000
-----------------------------	--------

Construction Services	<u>77,770</u>
-----------------------	---------------

Total Fire Station 21 Costs	536,855
-----------------------------	---------

Fire Station 38 (2150 California St.)

Construction:

Seismic Improvements	\$491,225
Asbestos Abatement	<u>36,007</u>
Subtotal Construction	527,232

Project Contingency (11.4%)	60,000
-----------------------------	--------

Construction Services	<u>89,260</u>
-----------------------	---------------

Total Fire Station 38 Costs	676,492
-----------------------------	---------

Fire Station 11 (3880 26th St.)

Construction:

Seismic Improvements	\$702,075
Asbestos Abatement	<u>37,463</u>
Subtotal Construction	\$739,538

Project Contingency (11.0%) 81,000

Construction Services 124,720

Total Fire Station 11 Costs \$945,258

Ashbury Tank House

Construction:

Seismic Improvements	\$234,025
Asbestos Abatement	<u>3,952</u>
Subtotal Construction	\$237,977

Project Contingency (14.7%) 35,000

Construction Services 41,289

Total Ashbury Tank House Costs 314,266

Total Proposed Release of Reserve \$3,113,629

Asbestos abatement construction and construction services would be performed by the Department of Public Works. Construction of seismic improvements will be performed by a construction contractor.

Comments:

1. The construction work for Fire Stations 15, 21 and 38 was bid as one contract and the construction work for Fire Station 11 and the Ashbury Tank House was bid as a second contract. The DPW Bureau of Architecture received three bids for each of the two contracts and selected the joint venture of Gomez and Chapot as the lowest bidder for both contracts. Gomez is an MBE firm.

2. Mr. Peter Wong of the Bureau of Architecture advises that higher than normal contingency allocations (the Bureau of Architecture normally includes a ten percent contingency allocation for regular construction projects) are necessary when performing asbestos abatement projects because of the difficulty in predicting the amount and location of asbestos in older buildings. Therefore, the projects detailed above include contingency allocations of between 11 and 14.7 percent.

Memo to Budget Committee
March 16, 1994

Recommendation: Release a total of \$3,113,629 based on DPW's revised request,
as detailed above.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 20 - File 101-92-60.6

Departments: Fire Department
Department of Public Works

Item: Release of reserved funds to replace apparatus doors and abate asbestos at Fire Station 6 located at 135 Sanchez Street

Amount: \$127,250

Source of Funds: 1992 Fire Protection Bonds (Series 1993D)

Description: The Board of Supervisors previously approved a \$15,307,533 supplemental appropriation ordinance (File 101-92-60) to appropriate the proceeds of the Series 1993D issue of the 1992 Fire Protection Bonds. Of the \$15,307,533 appropriated, \$10,408,825 was reserved for construction costs for seismic strengthening, asbestos abatement, disabled access and separate (male/female) restrooms at 16 Fire Stations and four other Fire Department facilities pending selection of the construction contractors and determination of cost details and MBE/WBE status of the contractors.

The Board of Supervisors previously released a total of \$2,382,510 of the \$10,408,825 that was reserved leaving a current balance of \$8,026,315 on reserve. The Fire Department requests the release of \$127,250 to replace the apparatus doors and remove asbestos at Fire Station 6.

Budget:	Construction:	
	Apparatus Door Replacement)	\$81,960
	Asbestos Abatement	<u>18,250</u>
	Subtotal Construction	\$100,210
	Project Contingency (12.2 %)	12,200
	Construction Services	<u>14,840</u>
	Total Requested Release of Reserve	\$127,250

Asbestos abatement construction and construction services will be performed by the Department of Public Works. The apparatus door replacement construction will be performed by a contractor.

Comments: 1. The Department of Public Works, Bureau of Architecture received two bids for replacement of the Fire Station 6 apparatus doors and selected the lowest bid of \$81,960 for the

BOARD OF SUPERVISORS
BUDGET ANALYST

project. J. Gomez Construction Company, an MBE firm, submitted the lowest bid.

2. Mr. Peter Wong of the Bureau of Architecture advises that a higher than normal contingency allocation (the Bureau of Architecture normally includes a ten percent contingency allocation for regular construction projects) is necessary when asbestos abatement is involved in the project because of the difficulty in predicting the amount and location of asbestos in an older building. Therefore, this project includes a contingency allocation of 12.2 percent.

Recommendation: Release reserved funds of \$127,250.

Budget Committee
March 16, 1994 Budget Committee Meeting

Item 21 File 172-94-9

Departments: Department of Social Services (DSS)

Item: Resolution authorizing the Department of Social Services to extend the current contract between the City and County of San Francisco and the San Francisco Child Abuse Council, Inc. in the amount of \$16,667, from the County's Children's Trust Fund, for the provision of child abuse and neglect services via public awareness and education to professional and community organizations for the period March 1, 1994 through June 30, 1994.

Additional Contract Amount:

\$16,667

Source of Funds: Children's Trust Fund (Birth Certificate fees - \$4.00 from each \$12.00 Birth Certificate Fee is credited to this fund). The current balance in this Fund is \$159,329.

Contract Extension Period:

March 1, 1994 through June 30, 1994 (4 months)

Description:

The DSS advises that the contract with the San Francisco Child Abuse Council expired on February 28, 1994. The DSS is proposing to extend the contract period by an additional four months, from March 1, 1994 through June 30, 1994 and increase the contract amount by \$16,667 from \$50,000 to \$66,667. The original term of the contract was March 1, 1993 through February 28, 1994. The DSS reports that this extension is being requested in order to have the term of this grant coincide with the fiscal year and to allow DSS to coordinate this grant's Request for Proposal process with all of the other DSS grant programs which coincide with the fiscal year.

The San Francisco Child Abuse Council provides child abuse and neglect prevention services to professional and community organizations. Specific contract services include: (1) providing a forum for inter-agency cooperation on prevention, detection, treatment and legal processing of child abuse cases, (2) a public awareness campaign on child abuse and neglect, which includes public service announcements on television, and radio, informational posters, brochures and educational billboards, (3) facilitating training of professionals in the detection, treatment and prevention of child abuse and neglect, and (4) serving as an advocate to improve program services to families and children who are victims of abuse.

BOARD OF SUPERVISORS
BUDGET ANALYST

Budget Committee
March 16, 1994 Budget Committee Meeting

Budget:	<u>Personnel</u>	
	Executive Director (0.03 FTE)	\$1,666
	Education Coordinator (0.16 FTE)	7,000
	Office Manager (0.08 FTE)	2,166
	Fringe Benefits (16%)	<u>1,684</u>
	Subtotal	\$12,516
	<u>Operating Expenses</u>	
	Office Supplies	\$200
	Telephone	300
	Travel	200
	Insurance	108
	Audit	315
	Office Equipment	200
	Printing, Booklets, Publicity	<u>2,828</u>
	Subtotal	<u>\$4,151</u>
	Total	\$16,667

Comment: As noted above, the proposed contract extension would be effective as of March 1, 1994. As such, the proposed legislation should be amended to authorize the DSS to extend the proposed contract retroactively.

Recommendation: Amend the proposed resolution to authorize the DSS to extend the contract retroactively and approve the proposed resolution as amended.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 22 - File 172-94-10

Department: Department of Social Services (DSS)

Item: Resolution authorizing the Department of Social Services to extend the current contract between the City and County of San Francisco and the Family Service Agency of San Francisco in the amount of \$33,333, to be funded from the County's Children's Trust Fund, for the provision of in-home and out-of-home parenting training and education to families with children at risk of child abuse and neglect.

Additional Contract Amount: \$33,333

Source of Funds: Children's Trust Fund (Birth Certificate Fees - \$4.00 from each \$12.00 Birth Certificate Fee is credited to this Fund). The current balance in this Fund is \$159,329.

Contract Extension Period: March 1, 1994 through June 30, 1994 (4 months)

Description: The DSS advises that the contract with the Family Service Agency (FSA) expired on February 28, 1994. The DSS is proposing to extend the contract period by an additional four months, from March 1, 1994 through June 30, 1994 and to increase the contract amount by \$33,333 from \$100,000 to \$133,333. The original contract period was March 1, 1993 through February 28, 1994. The DSS reports that this contract extension is being requested in order to have the term of this grant coincide with the fiscal year and allow DSS to coordinate this grant's Request for Proposal process with all of the other DSS grant programs which coincide with the fiscal year.

The Family Service Agency provides parenting skills and education to families with children at risk of child abuse and neglect via in-home and out-of-home training and classes. The program is focused on parents who are experiencing difficulties in parenting and who have infants and young children up to 12 years of age. The program receives referrals from the DSS Emergency Response Unit, self referrals and referrals from other community agencies and health care professionals.

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Budget Committee
March 16, 1994 Budget Committee

Budget:

Personnel

Program Coordinator (0.10 FTE)	\$2,673
Group Leader (7 Group Leaders x \$17.50/hr x 3.2 hrs/wk x 16 wks)	6,272
Clerical (0.01 FTE)	381
Childcare Worker (2 Childcare Workers x \$7.00/hr x 1.75 hr/wk x 16 wks x 7 groups)	2,744
Fringe Benefits (19%)	<u>2,339</u>
Subtotal	\$14,409

Operating Expenses

Rent	\$400
Printing	45
Insurance	150
Consultants*	13,897
Administrative Overhead (13 % of total grant amount)	4,348
Miscellaneous	<u>84</u>
Subtotal	<u>18,924</u>
Total	\$33,333

*The Family Service Agency has hired three individual consultants to provide program evaluation services, clinical services and infant development diagnostic services respectively.

Comment:

As noted above, the proposed contract extension would be effective as of March 1, 1994. As such, the proposed legislation should be amended to authorize the DSS to extend the proposed contract retroactively.

Recommendation:

Amend the proposed resolution to authorize the DSS to extend the contract retroactively and approve the proposed resolution as amended.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 23 - File 228-94-1

Departments: Tax Collector
Mayor's Office
Controller's Office

Item: Resolution authorizing access to Transactions and Use Tax (Sales Tax) records from the Board of Equalization pursuant to California Revenue and Taxation Code Section 7056.

Description: Mr. Richard Sullivan of the Tax Collector's Office reports that the Tax Collector, the Mayor's Office and the Controller's Office (1) desire to obtain better information on Sales Tax accounts in San Francisco in order to determine if the City is being allocated its appropriate share of Transactions and Use Tax revenues and (2) have arranged through the Civil Service Commission's personal services contract procedures to select the firm of Hinderliter, de Llamas and Associates to provide audit and consulting services. The objective of such services would be to determine if any Sales Tax allocation errors have occurred and thus to recover any Sales Tax revenue for the City which may have not been allocated correctly from the State to the City.

Ms. Anne Jenkins of the Controller's Office advises that in response to a Request for Proposals (RFP), the Department received two proposals from the firms of Municipal Resource Consultants and Hinderliter, de Llamas and Associates, neither of which is an MBE or WBE firm. According to Ms. Jenkins, of the two proposals, Hinderliter, de Llamas and Associates was selected as the most qualified firm, based primarily on (1) the workplan it submitted and (2) a survey of other local jurisdictions which had used the services of both firms. According to Ms. Jenkins, while both firms received good ratings from the jurisdictions surveyed, Hinderliter, de Llamas and Associates received higher ratings on average. Ms Jenkins advises that under the terms of the personal services contract with Hinderliter, de Llamas and Associates, the firm would be paid 15 percent of the additional revenue recovered for eight quarters (covering a two year period of time) following the firm's determination that errors had been made. Ms. Jenkins states that Municipal Resource Consultants proposed to be paid 20 percent of the additional revenue recovered for six quarters (covering a one and a half year period of time) following the firm's determination that errors had been made. Ms. Jenkins advises that the

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Budget Committee
March 16, 1994 Budget Committee Meeting

contract with Hinderliter, de Llamas and Associates would be for a two year term, with the option to extend the contract an additional two years.

Section 7056 of the Revenue and Taxation Code, allows local jurisdictions, by resolution of the Board of Supervisors, to obtain access to Sales Tax revenue data from the State Board of Equalization. The proposed resolution would authorize the Tax Collector's Office, the Controller's Office and Hinderliter, de Llamas and Associates, to receive and review any pertinent Sales Tax data from the State Board of Equalization.

Comment:

As noted above, the proposed resolution would simply authorize the Tax Collector's Office, the Controller's Office and Hinderliter, de Llamas and Associates to receive and review any pertinent Sales Tax data from the State Board of Equalization and therefore, would not in and of itself result in any fiscal impact to the City.

Recommendation:

Approve the proposed resolution.

Item 25 - File 168-94-1

- Departments:** Real Estate Department
Recreation and Park Department (RPD)
- Item:** Resolution authorizing acquisition of real property identified as City and County of San Francisco Assessor's Block 5538, Lot 15 for open space purposes; and adopting findings pursuant to City Planning Code Section 101.1.
- Location:** San Francisco Assessor's Block 5538, Lot 15 is situated on the north slope of Bernal Heights, on the uphill side of Mullen Street, above the undeveloped Mullen/Peralta Mini Park.
- Property Description:** The property proposed for purchase is one of four contiguous vacant lots known as the "Mullen/Peralta" open space site. The site is bordered by houses to the south east and south west, and by street rights-of-way to the north east and north west. Lot 15 is owned by Mr. Ronald A. Nagle and Ms. Cynthia A. Ehrlich.
- Amount:** Lot 15 would be purchased for a total of \$95,000, plus title insurance and escrow fees not to exceed \$1,500, for a total of up to \$96,500.
- Source of Funds:** Open Space Acquisition and Park Renovation Fund
- Comments:**
1. The Recreation and Park Commission has approved this acquisition for Open Space purposes and the funds are appropriated in the Department's FY 1993-94 budget. The General Manager's Report of the San Francisco Park and Open Space Program for Fiscal Year 1993-1994, as amended, allocated \$100,000 towards the acquisition of the property proposed for purchase.
 2. The City Planning Commission, in Resolution 13535, found that the proposed acquisition of the Mullen/Peralta site is in conformity with the Recreation and Open Space Element of the Master Plan and the Recreation and Open Space Programs document.
 3. According to Mr. Ken Chopping of the Real Estate Department, as of FY 1993-94, the total assessed value of the property to be acquired was \$95,000. Based on the 1993-94 fiscal year tax rate of \$1.15 per \$100 of assessed valuation, the taxes paid to the City on the property was

BOARD OF SUPERVISORS
BUDGET ANALYST

\$1,092.50. Once the City purchases the property, such taxes would no longer be paid to the City.

4. Mr. Phil Arnold of the RPD advises that the property proposed for acquisition is one of four properties needed to create a suitable open space site. Mr. Arnold reports that the RPD has signed purchase agreements with the other three property owners, contingent upon obtaining funding through the FY 1994-95 budget process. According to Mr. Arnold, funding to purchase the remaining three properties (\$279,000 plus closing costs) has been included in the recommendations of the Open Space Advisory Committee for the FY 1994-95 Open Space Fund. These recommendations must be approved by the Recreation and Park Commission, the Planning Commission and the Board of Supervisors. Mr. Arnold advises that purchase of the property proposed in this resolution is only justified if the remaining three properties in the Mullen/Peralta site are ultimately purchased as well.

5. Mr. Arnold advises that the proposed property, along with the three other contiguous properties that form the Mullen/Peralta site, would be acquired for the purpose of maintaining their natural undeveloped state. Mr. Arnold advises that if the property remains in a natural state, only minimal maintenance (i.e. removing weeds) would be required. Such maintenance would, according to Mr. Arnold, be absorbed in the RPD's on-going Open Space maintenance budget.

Mr. Arnold reports that a group of neighbors have indicated that they may submit a proposal to create a community garden or tot lot on the site, but that the group has represented that they would raise private funds to carry out any such project. Mr. Arnold advises that prior to approval of an improvement plan put forward by area residents, maintenance costs would be determined and presented to the Open Space Committee for approval.

Recommendation: Approval of Open Space Acquisitions are policy matters for the Board of Supervisors.

Items 26, 27, 28, and 29 - Files 101-93-99, 102-93-25, 101-93-100, and 102-93-29

Department: Department of Human Resources

Items: Ordinance appropriating and rescinding \$80,536 of permanent salaries and mandatory fringe benefits for the reclassification of three positions and the creation of one new position in the Human Resources Department for fiscal year 1993-94 (File 101-93-99).

Ordinance amending Ordinance No. 242-93 (Annual Salary Ordinance, 1993-94) to reclassify three positions and create one new position in the Department of Human Resources (File 102-93-25).

Ordinance appropriating and rescinding \$96,145 for permanent salaries-miscellaneous and mandatory fringe benefits, reassigning 11 positions from the Human Resources Department to the Civil Service Commission for the remainder of fiscal year 1993-94 (File 101-93-100).

Ordinance amending Ordinance No. 242-93 (Annual Salary Ordinance, 1993-94), reflecting the continuation and reassignment of 11 positions in the Civil Service Commission as a result of the passage of Proposition L (File 102-93-29).

Description: A Charter Amendment ("Proposition L") was approved by San Francisco voters in November, 1993 which created a new Human Resources Department, and provided that, except for certain duties specified in the Charter Amendment, the Human Resources Department would perform all personnel functions previously performed by the Civil Service Commission.

The proposed ordinances would implement the provisions of the Charter Amendment by (1) reclassifying three existing positions and adding one new position in the Department of Human Resources in order to establish the positions which were specifically authorized for the Department of Human Resources under the Charter Amendment (Files 102-93-25 and 101-93-99), and (2) reassigning 11 existing positions from the Human Resources Department to the Civil Service Commission (Files 102-93-29 and 101-93-100).

Comments: 1. The proposed ordinance (File 102-93-25) would amend the Annual Salary Ordinance to reclassify three existing positions and to add one new position which were authorized under Proposition L.

The three positions which would be reclassified within the Department of Human Resources by amendment to the Annual Salary Ordinance under the proposed ordinance (File 102-93-25) are as follows:

<u>Position</u>	<u>Number</u>	<u>Maximum Annual Salary</u>
General Manager, Personnel	(1)	(\$104,557)
Human Resources Director	1	104,557
Senior Personnel Analyst	(1)	(53,061)
Executive Assistant to the Director	1	53,061
Executive Secretary III	(1)	(44,990)
Confidential Secretary	<u>1</u>	<u>44,490</u>
Net Change	0	\$0

As noted in this table, there would be no change in the maximum annual salary amounts for the three positions which would be reclassified under the proposed ordinance (File 102-93-25).

In addition to these three reclassifications, the proposed ordinance would amend the Annual Salary Ordinance to also include the new position of Health Services Administrator at a maximum annual salary of \$85,660 (\$3,282 biweekly).

A separate proposed ordinance (File 101-93-99), if approved, would (1) amend the 1993-94 Annual Appropriation Ordinance to re-appropriate \$80,536 to the Department of Human Resources to pay the salary and fringe benefit costs for the three reclassified positions for the period April 1, 1994 through June 30, 1994. There would be no increase in costs for these three positions.

The proposed legislation (File 101-93-99) does not include an appropriation for the new position of Health Services Administrator which was authorized under Proposition L, although this position would be added to the Department of Human Resources' authorized staffing under the related Annual Salary Ordinance amendment (File 102-93-25). This Health Services Administrator position is discussed in more detail under Comment 3.

2. The 1993-94 budget and Annual Salary Ordinance appropriated funds and a total of 119 positions to the Civil Service Commission (Department 30) to perform the City's personnel functions. Since most personnel functions have been transferred from the Civil Service Commission to the Department of Human Resources, Department 30 is now known as the Department of Human Resources (see Comment 4). As a result, the 1993-94 budget and Annual Salary

BOARD OF SUPERVISORS
BUDGET ANALYST

Ordinance currently do not include appropriations or positions for the Civil Service Commission to perform those functions which were not transferred to the Human Resources Department under the Charter Amendment. Under the Charter Amendment, the Civil Service Commission will continue to create and revise Civil Service rules and to hear employment appeals.

The proposed ordinances (Files 101-93-100 and 102-93-29) would amend the Annual Salary Ordinance and the Annual Appropriation Ordinance to reflect the transfer of 11 positions from the Department of Human Resources (Department 30) to the Civil Service Commission (which has been designated by the Controller as Department 82 for the remainder of the current fiscal year) in order for the Civil Service Commission to continue to perform its duties under the Charter.

The 11 positions which would be transferred from the Department of Human Resources to the Civil Service Commission for the period April 1, 1994 through June 30, 1994 under the proposed ordinances are as follows:

<u>Position</u>	<u>Number</u>	<u>Biweekly Salary*</u>	<u>Annual Salary</u>
Civil Service Commissioner	5	\$100/month	\$1,500
Executive Officer, Civil Svc. Comm.	1	3,426	22,409
Personnel Officer	1	2,660	17,399
Senior Personnel Analyst	1	2,242	14,665
Personnel Technician	2	1,506	19,702
Senior Clerk Typist	<u>1</u>	1,298	<u>4,245</u>
Total Salaries	11		\$79,920
Fringe Benefits	—		<u>16,225</u>
Total	11		\$96,145

*Except Civil Service Commissioners

The proposed ordinance (File 101-93-100) would rescind \$96,145 which was appropriated in the 1993-94 budget for permanent salaries-miscellaneous and mandatory fringe benefits in Department 30 (which is now the Human Resources Department) and appropriate this \$96,145 to the Civil Service Commission (which is now Department 82) to pay salaries and fringe benefit costs of the 11 positions listed above. This proposed ordinance would result in no net change in total budgeted funds for the City's personnel functions.

3. The Mayor has not approved the Department of Human Resource's supplemental appropriation request to fund the new Health Services Administrator position in 1993-94. Although Proposition L authorizes the Director of Human Resources to appoint a new position of Health Services Administrator "to assist in the administration and management of the department," the specific functions and duties of this position are not stated in the Charter Amendment.

The new position of Health Services Administrator is separate from the position of Director of the Health Service System, which will be transferred to the Department of Human Resources at a later date, pursuant to an ordinance authorizing the transfer of the Health Service System which was previously adopted by the Board of Supervisors (File 221-94-1). The date that the Health Service System will be transferred to the Department of Human Resources is now subject to the discretion of the Director of Human Resources, and no further approval is required by the Board of Supervisors. The Director of Human Resources must notify the Clerk of the Board of Supervisors of the date(s) designated for the transfer of the Health Service System and the Workers Compensation program at least 10 days prior to the specified transfer date(s).

According to the Director of Human Resources, the duties of the new Health Services Administrator position would be to coordinate all Federal, State, and local health and safety mandates (which the Human Resources Department is mandated to perform under Proposition L), and to coordinate and participate in the management of health services and Workers Compensation Division functions when these functions are transferred to the Department of Human Resources. However, as noted above, these functions have not yet been transferred to the Department of Human Resources.

According to the Mayor's Office, funding for the Health Services Administrator in the future is contingent on the production of an action plan detailing the transfer of the Health Service System, the City's Workers Compensation program, and the coordination of health and safety functions to the Department of Human Resources. A working group chaired by the Director of Human Resources and including representatives of all concerned departments is expected to produce such a plan by June 1, 1994, according to the Mayor's Office. The working group is also expected to make recommendations concerning the optimal date for transferring the Health Service System and the City's Workers

Compensation program to the Department of Human Resources.

4. As discussed above, the Controller has advised that Department 30 will be known as the Department of Human Resources, and the Civil Service Commission will become Department 82, for the remainder of the current fiscal year. However, with the new fiscal year beginning July 1, 1994, the Civil Service Commission will again be Department 30, and the Department of Human Resources will be assigned a new department number, according to the Controller's Office.

5. In summary, these proposed ordinances would reclassify three currently budgeted positions within the Department of Human Resources at no increase in cost (see Comment 1), and reassign 11 currently budgeted positions from the Human Resources Department to the Civil Service Commission at no increase in cost (see Comment 2). There would be no net change in 1993-94 budgeted funds for these 14 transferred and reclassified positions. In addition, the proposed ordinances would create the new position of Health Services Administrator in the Department of Human Resources (see Comment 3). According to the Mayor's Office, this position will not be funded until the duties of the position have been fully detailed by the Department of Human Resources.

Recommendation: Approve the proposed ordinances.

Item 30 - File 205-93-1

Note: This item was continued at the October 27, 1993 Budget Committee meeting.

1. This item is a request to consider the management and oversight of funds generated from the War Memorial Center for veterans programs and how to maximize local programs for veterans.

2. In 1918, a group of San Francisco citizens became interested in constructing a Symphony Hall, which was then expanded to include an Opera House and an Art Museum. During the next two years, an option was purchased for the lot bounded by Hayes, Franklin, Grove and Van Ness (the current site of Davies Symphony Hall). In 1920, members of the newly-formed American Legion suggested that the project be designated as San Francisco's War Memorial. This idea was accepted and a public City-wide fund drive for this effort raised over \$2 million. The Regents of the University of California were designated as Trustees for these subscribers.

On August 19, 1921, a formal trust agreement was signed between the Regents of the University of California and the leaders of the initial group of citizens, who were designated as Trustees of the War Memorial. (In 1930, the City agreed to take over the Regents' responsibilities under the Trust.) When this Trust Agreement was established, it was thought that three buildings would be constructed using the \$2 million in subscriptions. The Trust Agreement named two organizations — the San Francisco Art Association (now the Museum of Modern Art) and the San Francisco Posts of the American Legion — to occupy two of the buildings. Preferential right for use of the third building, a theatre or auditorium, was given to the Musical Association of San Francisco (now the San Francisco Symphony).

3. The San Francisco Posts of the American Legion established an American Legion War Memorial Commission (ALWMC), which now consists of one representative from each post, to carry out the provisions of the Trust Agreement for the ALWMC.

4. The responsibilities of the San Francisco Posts of the American Legion and the Museum of Modern Art, according to the Trust Agreement, include: (1) to perform all interior upkeep and repair (Section 9(d)); and (2) to pay for all heat, light, gas, electricity, water, steam or other public utility used on their premises, and for all janitor and elevator service (Section 9(l)). Both organizations are exempt from rent payments to the City (Section 9(a)). The Museum of Modern Art currently reimburses the War Memorial and Performing Arts Center for its utility and elevator costs, and provides its own janitorial staff and services. The ALWMC does not pay these costs, even though the Trust Agreement specifically states that such costs are the obligation of the ALWMC. Also, the War Memorial supports maintenance and upkeep services for the entire Veterans Building, such as engineers' and gardener's salaries.

5. According to Ms. Beth Murray of the War Memorial and Performing Arts Center, pursuant to a 1977 agreement between the War Memorial Board of Trustees and ALWMC, the War Memorial and Performing Arts Center provides an annual payment to the ALWMC to cover the costs of the ALWMC's administration, currently at \$20,000 per year. In exchange, the ALWMC has granted the War Memorial Board of Trustees the exclusive right to manage, control and derive revenue from the Veterans Auditorium (now the Herbst Theatre) and the Green Room. This agreement also provides for an annual payment of \$6,000 to the American Legion War Memorial Commission from the Museum of Modern Art in exchange for space in the Veterans Building, which space was relinquished by the ALWMC to the Museum in 1977.

6. The ALWMC is empowered, according to the Trust Agreement, to provide headquarters for "Veterans of the Mexican War, Grand Army of the Republic, Spanish-American War Veterans, and such other patriotic organizations as said San Francisco Posts of the American Legion may from time to time desire to install." In other words, the ALWMC may grant space in the Veterans Building to veterans organizations other than San Francisco American Legion Posts. According to Mr. Charles Oswald of the American Legion, approximately one-half of the first floor of the Veterans Building is allocated to veterans organizations for office space, including Disabled American Veterans, Veterans of Foreign Wars, Swords to Ploughshares, and Jewish War Veterans. The second floor of the Veterans Building, other than the Green Room, is devoted to meeting rooms for veterans and veterans organizations.

7. It is currently the responsibility of the ALWMC to allocate space in the Veterans Building and to schedule meetings in the second floor meeting rooms. The \$26,000 in total annual funds received by the ALWMC from the War Memorial and the Museum of Modern Art (see Comment 5) support a part-time office manager and operating expenses (such as telephone, postage, copy service, and bank fees) to execute these scheduling and space allocation responsibilities.

8. According to Dr. Paul Hardman, the Alexander Hamilton Post representative on the American Legion War Memorial Commission and a member of the Mayor's Veterans Affairs Council, the subject of the proposed hearing should read "War Memorial Commission" (i.e., American Legion War Memorial Commission), not "War Memorial Center."

9. Dr. Hardman states that the American Legion has not allocated resources as effectively as possible for the benefit of San Francisco veterans. According to Dr. Hardman, veterans organizations are not always granted space in the Veterans Building. Dr. Hardman alleges that the funds provided by the City to the Commission are used for other than legitimate purposes.

10. Based on financial summaries provided by the American Legion, the Budget Analyst was unable to support this allegation. (\$17,100 of the American Legion's total \$28,357 budget supports a part-time office manager. This \$17,100 represents 60.3 percent of the American Legion's total budget of \$28,357 and 85.5 percent of the City's \$20,000 support.)

11. Dr. Hardman advises that the Mayor's Veterans Affairs Council would be a more appropriate agency to administer the Trust Agreement than the American Legion War Memorial Commission, since: (1) the Veterans Affairs Council is a City agency; (2) members of the Veterans Affairs Council must be San Francisco residents, while American Legion Post representatives to the War Memorial Commission are not always San Francisco residents; and (3) the Veterans Affairs Council would operate more efficiently with minimal City funds.

Whether or not the Veterans Affairs Council would allocate resources more appropriately in the Veterans Building than the American Legion War Memorial Commission is irrelevant, however, according to a June 1, 1987 published opinion by the City Attorney. This opinion answered the question "May the War Memorial Board of Trustees order that the American Legion War Memorial Commission be dismantled and no longer act as agent for the San Francisco Posts of the American Legion with respect to use of space in the War Memorial Veterans Building dedicated to the Posts by the Board?" In response, the City Attorney wrote: "The War Memorial Board of Trustees may not order that the American Legion War Memorial Commission be dismantled and no longer act with respect to use of space."

12. According to Section 3.610 of the San Francisco Charter, the Board of Trustees of the San Francisco War Memorial shall have charge of the construction, administration and operation of the War Memorial and of the grounds set aside therefor. The Charter does not indicate that the War Memorial Board of Trustees should have any responsibility for local programs for veterans. Also, the Trust Agreement does not mention any responsibility for local programs for veterans to be provided by the Board of Trustees or the San Francisco Posts of the American Legion. The Trust Agreement provides that the San Francisco Posts of the American Legion may occupy the Veterans Building, and may provide space to other patriotic organizations at its pleasure.

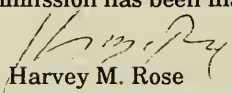
13. On March 14, 1994, Dr. Hardman forwarded the attachment to the Budget Analyst's Office, entitled the San Francisco City and County Veterans Affairs Commission. As reflected in this attachment, Dr. Hardman is now requesting that the American Legion War Memorial Commission be reconstituted to reflect the changing demographics by granting each active war veteran organization the right to elect a delegate to the American Legion War Memorial Commission if they have at least 15 members and are actively using the War Memorial Veterans' Building as a recognized war veteran beneficiaries. Furthermore, Dr. Hardman is now requesting that a thorough inventory check be made to account for the missing City assets assigned to the War Memorial for war veterans use and enjoyment.

14. According to Ms. Kathryn Pennypacker of the City Attorney's Office, the American Legion War Memorial Commission is a standing committee of the American Legion, which is a private organization. The City has no control or authority over the American Legion or the American Legion War Memorial Commission. Therefore, if Dr. Hardman wishes to reconstitute the representation on the American Legion War Memorial Commission, this request should be directed to the American Legion.

Memo to Budget Committee
March 16, 1994

Furthermore, Ms. Pennypacker reports that, over the last ten years, several audits have been conducted at the War Memorial concerning use of funds and assets by the various organizations that use the War Memorial Veterans Building, including an audit by the Budget Analyst's Office in 1985. None of these audits have shown significant financial discrepancies, as are currently being and previously been alleged.

15. In conclusion: (1) according to a published opinion by the City Attorney, the War Memorial Board of Trustees may not order that the American Legion War Memorial Commission be dismantled and no longer act as agent for the San Francisco Posts of the American Legion with respect to use of space in the War Memorial Veterans Building; (2) it is not the responsibility of the War Memorial Board of Trustees, nor is it the responsibility of the American Legion War Memorial Commission, to provide local programs for veterans; and (3) the City has no responsibility or control over the membership of the American Legion War Memorial Commission and (4) the Budget Analyst was unable to find evidence that management and oversight of funds provided by the War Memorial Board of Trustees to the American Legion War Memorial Commission has been inadequate.


Harvey M. Rose

cc: Supervisor Hsieh
President Alioto
Supervisor Bierman
Supervisor Conroy
Supervisor Hallinan
Supervisor Kaufman
Supervisor Kennedy
Supervisor Leal
Supervisor Maher
Supervisor Migden
Supervisor Shelley
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Robert Oakes
Ted Lakey

BOARD OF SUPERVISORS
BUDGET ANALYST

SAN FRANCISCO CITY AND COUNTY VETERANS AFFAIRS COMMISSION

Whereas: the War Memorial Commission (WMC), as currently composed, does not meet the needs of the war veteran beneficiaries of the trust;

Whereas: the WMC has failed to encourage or facilitate the use of space in the War Memorial Veterans' Building;

Whereas: the leadership of the WMC is not selected in a manner consistent with the intent of the trust;

Whereas: the primary purpose of the Trust is to serve the needs of local war veteran beneficiaries;

Whereas: the Trustees of the War Memorial are required to be residents of San Francisco, most of leadership of the WMC are not residents of San Francisco;

Whereas: there are more war veterans in San Francisco today than there were when the citizens provided the facilities for war veterans, the WMC has failed to maintain programs or facilities for use by war veterans;

Whereas: there are some questions regarding the appropriate use of funds made available to the WMC by the City and by veterans;

Whereas: the WMC has failed to safeguard the furniture and equipment intended for the use and benefit of war veterans;

Whereas: the WMC appears to have been stripped of its tax exempt status and appears to be listed as a private company, for profit rather than a tax exempt corporation;

Whereas: there is no oversight of the WMC either by the City or the American Legion;

Whereas: pool tables and other valuable equipment have disappeared from the War Memorial;

Whereas: the number of eligible Legion Posts in San Francisco which provide delegates to the WMC has been sharply reduced in the past few years from about 37 to about 27;

Whereas: other San Francisco war veteran organizations have grown and multiplied;

Whereas: the WMC meets on an infrequent schedule and can not conduct its affairs in a timely manner;

Whereas: the WMC blocks participation by the public and bars input by other veterans organizations;

Whereas: the WMC has failed to create new programs for veterans and has discouraged other war veterans from organizing programs;

Whereas: the War Memorial Veterans Building could effectively serve the needs of war veterans as intended when it was mandated by the citizens of San Francisco;

Therefore Be It Resolved: that the WMC be reconstituted to reflect the changing demographics by granting each active war veteran organization the right to elect a delegate to the WMC if they have at least 15 members and are actively using the War Memorial Veterans' Building as a recognized war veteran beneficiaries; (this would include such groups as the Veterans of Foreign Wars; Disabled American War Veterans; Swords to Plow Shears; Jewish War Veterans; AmVets and others including the Posts of the American Legion in San Francisco)

Be It Further Resolved: that a thorough inventory check be made to account for the missing City assets assigned to the War Memorial for war veterans use and enjoyment.

newwmc.448

Paul D. Hardman, 7 March 1994

SF
S90.07

#2

3/23/94

/// **CALENDAR**... ACTION
TAKEN
/// **BUDGET COMMITTEE**
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

DOCUMENTS DEPT.

AUG 27 1996

SAN FRANCISCO
PUBLIC LIBRARY

WEDNESDAY, MARCH 23, 1994 - 1:00 P.M.

2ND FLOOR, CITY HALL
LEGISLATIVE CHAMBER

PRESENT: SUPERVISORS HSIEH, ALIOTO, BIERMAN

ABSENT: SUPERVISOR ALIOTO ON ITEM #12

CLERK: MARY L. RED

1. File 143-94-1. [Police Hiring Supplemental Program Grant] Resolution authorizing the Chief of Police of the City and County of San Francisco to retroactively apply for, accept and expend funds in the amount of two million dollars (\$2,000,000) for new funding for a three year project entitled "Police Hiring Supplement Program", plus a cash match of two million eighty seven thousand nine hundred forty dollars (\$2,087,940). (Police Department)

(Referred to Budget Committee from Full Board 2/22/94)

ACTION: Hearing held. RECOMMENDED.

2. File 13-94-3.1. [Federal Crime Bill] Resolution urging the Mayor to instruct the City's Lobbyist to work with the City's Congressional Delegation to include San Francisco as a community which will receive additional police officers in the pending Federal Crime Bill. (Supervisors Hsieh, Alioto)

ACTION: Amendment of the Whole (as presented by Supervisor Hsieh) accepted.
Same title. RECOMMENDED AS AMENDED.

3. File 101-93-97. [Appropriation, Adult Probation Department] Ordinance appropriating \$29,281, Adult Probation, Jail Overcrowding Fine Revenue, for permanent salaries and mandatory fringe benefits to continue the Probation Officers Working to End Recidivism (POWER) Program to minimize jail overcrowding in fiscal year 1993-94. RO #93241 (Supervisor Alioto)

ACTION: Amended on line 1, 12, and 18 by replacing "\$29,281" with "\$15,646"; on line 14 by replacing "\$23,500" with "\$12,720"; and on line 16 by replacing "\$5,782" with "\$2,926".

New title: "Ordinance appropriating \$15,646, Adult Probation, Jail Overcrowding Fine Revenue, for permanent salaries and mandatory fringe benefits to continue the Probation Officers Working to End Recidivism (POWER) Program to minimize jail overcrowding in fiscal year 1993-94."
RECOMMENDED AS AMENDED. (Supervisor Alioto added as sponsor)

4. File 229-94-1. [Fire Alarm System Connection Charges] Ordinance directing the General Manager of the Department of Electricity to establish a new application procedure for the issuance of permits for connecting auxiliary fire alarm system to the Municipal Fire Alarm System; directing the General Manager to review all submitted applications for connection to the Municipal Fire Alarm System; directing the General Manager to prepare a new form of permit for connecting to the Municipal Fire Alarm System; directing the General Manager to execute and issue permits; directing the General Manager to charge an annual charge of \$180.00 for each connection, as such is allowed under Section 3.510 of the Charter; increasing the current monthly charge of \$2.50 authorized in Ordinances Nos. 525-88, 408-91, 254-71, 2137-1889 and 510-60 to an annual charge of \$180.00 (\$15.00 per month prorated) for each connection; authorizing the General Manager to take such action necessary or advisable; revoking existing permits contained in Ordinances Nos. 525-88, 408-91, 254-71, 2137-1889 and 510-60 effective 120 days from the passage of this ordinance; and directing the General Manager to notify existing permittee of revocation. (Department of Electricity and Telecommunications)

ACTION: Amendment of the Whole (as presented by Department) to correct error in existing fees, adopted. New title: Ordinance directing the General Manager of the Department of Electricity to establish a new application procedure for the issuance of permits for connecting auxiliary fire alarm system to the Municipal Fire Alarm System; directing the General Manager to review all submitted applications for connection to the Municipal Fire Alarm System; directing the General Manager to prepare a new form of permit for connecting to the Municipal Fire Alarm System; directing the General Manager to execute and issue permits; directing the General Manager to charge an annual charge of \$180.00 for each connection, as such is allowed under Section 3.510 of the Charter; increasing the current monthly charge of \$2.25 to \$3.75 authorized in Ordinances Nos. 525-88, 408-91, 254-71, 2137-1889 and 510-60 to an annual charge of \$180.00 (\$15.00 per month prorated) for each connection; authorizing the General Manager to take such action necessary or advisable; revoking existing permits contained in Ordinances Nos. 525-88, 408-91, 254-71, 2137-1889 and 510-60 effective 120 days from the passage of this ordinance; and directing the General Manager to notify existing permittee of revocation." **CONSIDERATION CONTINUED TO MARCH 30.**

5. File 101-93-96. [Appropriation, Sheriff Department] Ordinance appropriating \$660,558, Sheriff Department, Jail Overcrowding Fine Revenue to expand the Residential Care Program to minimize jail overcrowding for fiscal year 1993-94 (includes other non-personal services). RO #93240 (Controller)

ACTION: Hearing held. Question divided. Question on funding residential programs at Third Baptist and Thurgood Marshall severed and considered separately under File 101-93-96.1. Liberation House, Jelani House and Asian American were funded. Amendment of the Whole (reflecting amendments) adopted.

New title: Ordinance appropriating \$576,518, Sheriff Department, Jail Overcrowding Fine Revenue to expand the Residential Care Program to minimize jail overcrowding for fiscal year 1993-94 (includes other non-personal services), providing for ratification of action previously taken. RECOMMENDED AS AMENDED.

File 101-93-96.1. [Appropriation, Sheriff Department] Ordinance appropriating \$84,040, Sheriff Department, Jail Overcrowding Fine Revenue to expand the Residential Care Program to minimize jail overcrowding for fiscal year 1993-94 (includes other non-personal services). Third Baptist and Thurgood Marshall. CONTINUED TO CALL OF THE CHAIR.

6. File 101-92-12.2. [Reserved Funds, Superior Court] Hearing requesting release of reserved funds, Superior and Municipal Courts, in the amount of \$14,667, to pay for the construction manager's contract. (Superior and Municipal Courts)

ACTION: Release of reserved funds in the amount of \$14,667 approved. FILED.

7. File 101-93-24.1. [Reserved Funds, Superior and Municipal Courts] Hearing requesting release of reserved funds, Superior and Municipal Courts, in an amount totalling \$215,000, to fund the asbestos abatement contract for the new courthouse site, as well as the oversight by the Bureau of Construction Management (\$150,000, Marfield Company, Inc., and \$30,000 for an independent consultant (SCA Environmental) to test site materials and the air for asbestos, and a contingency of \$35,000). (Superior and Municipal Courts)

ACTION: Release of reserved funds in the amount of \$215,000 approved. FILED.

8. File 101-92-23.1. [Reserved Funds, DPH/San Francisco General Hospital] Hearing requesting release of reserved funds, Department of Public Health, San Francisco General Hospital, in the amount of \$1,107,565, for two capital improvement projects to renovate Wards 14 and 15, San Francisco General Hospital Business Office and the Emergency Room/Outpatient Registration areas. (Department of Public Health)

ACTION: Release of reserved funds in the amount of \$393,000 approved. FILED. (See Budget Analyst report for explanation of amount of funds released).

9. File 28-94-7. [DPW – Post Street Sewer Replacement] Resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to replace structurally inadequate sewer in Post Street between Larkin Street and Hyde Street – \$74,800. (Supervisor Alioto)

ACTION: RECOMMENDED. (Supervisor Alioto added as sponsor)

10. File 82-94-3. [Property Acquisition – Noise Easement] Resolution authorizing the acquisition of a noise easement from the Millbrae School District. (Supervisor Alioto)

ACTION: RECOMMENDED. (Supervisor Alioto added as sponsor)

11. File 101-93-98. [Appropriation, Department of Parking and Traffic] Ordinance appropriating \$245,000, Department of Parking and Traffic, Off-Street Parking Fund Revenues, for facilities maintenance (St. Mary's Square Garage). RO #93151 (Supervisor Alioto)

ACTION: Amended on line 3 after "1994" add "providing for ratification of action previously taken." On line 15 add "Section 2. Although the City has incurred no legal obligation under the Charter, the Board of Supervisors does hereby ratify the action previously taken".

New title: "Ordinance appropriating \$245,000, Department of Parking and Traffic, Off-Street Parking Fund Revenues, for facilities maintenance (St. Mary's Square Garage), providing for ratification of action previously taken." RECOMMENDED AS AMENDED (Supervisor Alioto added as sponsor)

12. File 101-93-95. [Appropriation, Port of San Francisco] Ordinance appropriating \$1,336,856, Port, for capital improvements, facilities maintenance projects and debt service payments for fiscal year 1993-94; funded from San Francisco Harbor Operating Fund (\$1,108,000) and 1984 Port Revenue Bond fund (\$228,856). RO 393230 (Supervisor Alioto)

ACTION: Consideration continued to April 6. Supervisor Alioto absent. (Supervisor Alioto added as sponsor).

13. File 101-93-101. [Appropriation, Public Defender] Ordinance appropriating and rescinding \$97,400, Public Defender, to transfer funds from salaries to telephone, materials and supplies and lease purchase of computer equipment for fiscal year 1993-94. RO #93248 (Supervisor Alioto)

ACTION: RECOMMENDED. (Supervisor Alioto added as sponsor)

14. File 170-94-3. [Equipment Lease Supplement No. 3] Ordinance providing for the approval and execution and delivery by Officers of the City and County of San Francisco of an Equipment Lease Supplement No. 3 between the City and County of San Francisco Finance Corporation, as Lessor, and the City and County of San Francisco, as Lessee, with respect to equipment to be used for City purposes and the related certificate of approval; providing for reimbursement to the City of certain City expenditures prior to the issuance of lease revenue bonds and approving the issuance of lease revenue bonds by said nonprofit corporation; and providing that said bond shall be subject to the certification of the Controller of the City and County of San Francisco prior to the sale of said bonds; providing for the execution of related documents in connection with the equipment lease; and ratifying previous actions taken in connection with the equipment lease. (Supervisors Alioto, Hsieh)

ACTION: RECOMMENDED. (Supervisors Alioto and Hsieh added as sponsors)

15. File 79-93-2.2. [Addendum One, 1994 Community Development Program] Resolution approving an amendment to the 1994 Community Development Program and authorizing the Mayor, on behalf of the City and County of San Francisco, to receive and expend \$2,125,000 in additional entitlement funds and transfer \$130,000 from contingencies under the City's 1994 Community Development Block Grant (CDBG) Program from the U.S. Department of Housing and Urban Development, approving Addendum 1 to the expenditure schedule for recipient departments and agencies and for indirect costs, and, determining no environmental evaluation is required, authorizing the receipt and deposit in contingencies of 1994 CDBG entitlement funds in excess of \$24,166,000. (Supervisor Alioto)

ACTION: Hearing held. Amendment of the Whole (reflecting Budget Analyst recommendations) accepted. New title: "Resolution approving an amendment to the 1994 Community Development Program and authorizing the Mayor, on behalf of the City and County of San Francisco, to receive and expend \$2,125,000 in additional entitlement funds and transfer \$800 from contingencies under the City's 1994 Community Development Block Grant (CDBG) Program from the U.S. Department of Housing and Urban Development, approving Addendum 1 to the expenditure schedule for recipient departments and agencies and for indirect costs, and, determining no environmental evaluation is required, authorizing the receipt and deposit in contingencies of 1994 CDBG entitlement funds in excess of \$24,166,000." RECOMMENDED AS AMENDED. (Supervisor Alioto added as sponsor)

16. File 101-93-86. [Appropriation, Hetch Hetchy] Ordinance appropriating \$194,343, Hetch Hetchy operating fund to create a Water Quality Laboratory at Hetch Hetchy for fiscal year 1993-94 (includes salaries and mandatory fringe benefits, for the creation of two (2) positions, materials and supplies, equipment, and capital improvement project). (Controller) RO #93224 (Companion to File 102-93-26)

ACTION: Amended on page 1, lines 1, 11, and 21 by replacing "\$194,343" with "\$160,864"; on line 12 by replacing "\$34,808" with "\$17,209"; and on line 13 by replacing "\$6,535" with "\$3,155". New title: "Ordinance appropriating \$160,864, Hetch Hetchy operating fund to create a Water Quality Laboratory at Hetch Hetchy for fiscal year 1993-94 (includes salaries and mandatory fringe benefits, for the creation of two (2) positions, materials and supplies, equipment, and capital improvement project)." RECOMMENDED AS AMENDED.

17. File 102-93-26. [Public Employment] Ordinance amending Annual Salary Ordinance, 1993-94, Hetch Hetchy, reflecting the creation of two (2) positions (Classifications 2471 Water Quality Chemist and 5247 Associate Sanitary Engineer). (Dept. of Human Resources) (Companion to File 101-93-86)

ACTION: RECOMMENDED.

18. File 101-93-87. [Appropriation, Water Dept.] Ordinance appropriating \$1,499,496, Water Department, for Water Quality Monitoring and Improvement Projects at the Water Department (includes salaries and mandatory fringe benefits - for the creation of seven (7) positions, non-personal services, equipment purchase and capital improvement project); and rescinding \$1,499,496 from other non-personal services (environmental mitigation) for fiscal year 1993-94. (Controller) RO #93225 (Companion to File 102-93-27)

ACTION: Amended on page 1, lines 1, 4 and 12 and page 2 lines 7, 11, 13 and 14 by replacing "\$1,499,496" with "\$1,433,358"; on line 14 by replacing "\$113,244" with "\$55,986"; and on line 16 by replacing "\$19,352" with "\$10,472". New title: "Ordinance appropriating \$1,433,358, Water Department, for Water Quality Monitoring and Improvement Projects at the Water Department (includes salaries and mandatory fringe benefits - for the creation of seven (7) positions, non-personal services, equipment purchase and capital improvement project); and rescinding \$1,433,358 from other non-personal services (environmental mitigation) for fiscal year 1993-94. "RECOMMENDED AS AMENDED.

19. File 102-93-27. [Public Employment] Ordinance amending Annual Salary Ordinance, 1993-94, Water Department, reflecting the creation of seven positions (Classifications 7334 Stationary Engineer (4), 2462 Microbiologist (1), 2471 Water Quality Chemist (1), and 5224 Associate Water Purification Engineer (1). (Dept. of Human Resource) (Companion to File 101-93-87)

ACTION: RECOMMENDED.

20. File 60-94-1.2. Hearing to consider submitting proponents rebuttal ballot argument concerning Proposition "A", school improvements bond measure. (Supervisor Alioto)

ACTION: Hearing held. Motion prepared in and reported out of committee entitled, "Authorizing rebuttal to opponent's ballot argument against Proposition A, the school improvement bond measure." RECOMMENDED.



BOARD OF SUPERVISORS

BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

March 21, 1994

TO: Budget Committee
FROM: Budget Analyst
SUBJECT: March 23, 1994 Budget Committee Meeting

Item 1 - File 143-94-1

Note: This item was rereferred to the Budget Committee from the Board of Supervisors meeting of 2/22/94.

Department: San Francisco Police Department (SFPD)

Item: Resolution authorizing the Chief of Police to retroactively apply for, accept and expend \$2,000,000 in new Federal funds for a three-year project entitled "Police Hiring Supplement Program," which requires a cash match of \$2,087,940.

Grant Amount: \$2,000,000 over a three year period. (See budget below.)

Grant Period: July 1, 1994 through June 30, 1997 (three years)

Source of Funds: Bureau of Justice Assistance, U.S. Department of Justice

Project: Police Hiring Supplement Program

Description: The proposed Federal grant funding would be used by the SFPD, in combination with the required cash match, to pay the initial three years of salaries and fringe benefits for 20 new Police Officers (Q2s) to be assigned to the District Stations.

Budget:

Salary And Fringe Benefits For 20 Officers

	<u>U.S. Dept. of Justice</u>	<u>Local Match</u>	<u>Total</u>
FY 1994-95	\$614,800	\$614,800	\$1,229,600
FY 1995-96	680,440	680,440	1,360,880
FY 1996-97	<u>704,760</u>	<u>792,700</u>	<u>1,497,460</u>
TOTAL COST	\$2,000,000	\$2,087,940	\$4,087,940

The estimated annual salary and fringe benefit cost for each Q2 in the first year of the program (FY 1994-95) is as follows:

Salary:	\$45,054
Fringe Benefits:	<u>16,426</u>
Total:	\$61,480

Required Match:

\$2,087,940 over a three year period. (See budget above.) - The funding source for this required local match would be the General Fund. In addition to the \$2,087,940 project match, after the three-year grant period, the annual cost of salaries and fringe benefits for these 20 Police Officers would be paid entirely by the City. In FY 1997-98, the first year when the City would pay the full salaries and fringe benefits of the 20 Police Officers, the cost is estimated to be \$80,278 per Police Officer, for a total cost of \$1,605,560. An estimated \$685,884 in recruitment, training and equipment costs would also be paid by the City from the General Fund.

Indirect Costs:

Under the Police Hiring Supplement Program, grant funds cannot be used for indirect costs.

Comments:

1. In addition to the required match needed to fully pay for the salaries and fringe benefits, the SFPD states in the grant application that the City would cover the cost of conducting pre-employment background investigations, purchasing uniforms and equipment, providing Police Academy training, and salary and fringe benefits during the training period. These costs would total an \$685,884, as detailed in the attachment provided by the SFPD.

2. Mr. John Madden of the Controller's Office advises that because the grant requires the Mayor and Board of Supervisors to appropriate additional funds in future years to the Police Department above the current level of funding, the

BOARD OF SUPERVISORS
BUDGET ANALYST

Controller cannot certify the availability of required matching funds.

3. The grant application states that, "It is the intention of the Police Department to continue the program and maintain all officers hired under the program after the conclusion of the grant period." Police Officers hired under the program would be incorporated into the SFPD budget as permanent employees of the Department, at a total cost in FY 1997-98 (when the grant would end) of approximately \$1,605,560.

4. On January 31, 1994, the Board of Supervisors ordered a proposed Charter Amendment to be submitted to the voters on the June, 1994 ballot, to establish a minimum full duty staffing level of 1,971 Uniformed Police Officers for the City and County of San Francisco by June 30, 1995 (File 314-93-1). Lt. Lawrence Ryan of the SFPD states that, if the SFPD receives the proposed grant, the 20 new Police Officer positions would be used to help the SFPD achieve the proposed goal of maintaining 1,971 full duty Uniformed Police Officers. Lt. Ryan states that the 20 positions would not be used to exceed the 1,971 Uniformed Police Officer staffing level in FY 1994-95.

5. Application for this grant was made in November, 1993. In December, 1993 the Board of Supervisors approved a supplemental appropriation ordinance (File 101-93-50) that included funds to increase the number of Uniformed Police Officers by 100 during the period of January through June, 1994. Recruitment and training of 50 new Police Officers was funded in that supplemental appropriation, along with hiring of 50 lateral transfers (sworn peace officers recruited from other cities). Training for the 50 new recruits began on January 24, 1994, and will be completed in nineteen weeks.

Sergeant John Bisordi of the SFPD advises that the 20 Police Officers to be hired under the grant could be identified from among the new recruits who successfully complete the Academy Class, if Department of Justice approval can be obtained. Sergeant Bisordi reports that in the grant application, the SFPD specifically proposed use of 20 of the Police Officers authorized for hire under the supplemental appropriation to fill the grant-funded positions.

6. Sergeant Bisordi reports that the SFPD base budget for FY 1994-95 being requested by the SFPD assumes that salaries of all 100 of the Police Officers funded under the previously approved supplemental appropriation would be funded entirely by the City. Sergeant Bisordi states that receipt of the funds under this proposed \$2.0 million grant would

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Budget Committee
March 23, 1994

reduce SFPD's base budget requirements by an estimated \$614,800 in FY1994-95 (the amount of the FY 1994-95 grant award, which represents 50 percent of the FY 1994-95 salary and fringe benefit costs (amounting to \$1,229,600) of 20 new Police Officers).

7. The Summary of Grant Request prepared by the Department is attached.

8. The SFPD has prepared a Disability Access Checklist for the proposed grant program which is on file with the Clerk of the Board's Office.

Recommendation: Because the proposed resolution would obligate future year General Fund appropriations, the Budget Analyst considers approval of the proposed resolution to be a policy matter for the Board of Supervisors.

BOARD OF SUPERVISORS
BUDGET ANALYST

Factor U. S. Department of Justice
Contact Person _____
Address 633 Indiana Ave. NW Room 948
Washington D.C., 20531
Amount Requested \$ 2,000,000.00
Term: From 7/1/94 To 6/30/97
Health Commission _____ Board of Supervisors: Finance Committee _____
Full Board _____

Division : Bureau of Justice Assistance
Section _____
Contact Person _____
Telephone (202) 307 1480
Application Deadline 11/14/93
Notification Expected 12/93

I. Item Description: Request to (apply for) (accept and expend) a (new) ~~(renewal)~~ ~~(extension)~~ ~~(supplementation)~~ grant in the amount of \$2,000,000 from the period of 7/1/94 to 6/30/97 to provide the hiring of new police officers services.
(Circle appropriate words)

II. Summary: (Concise history, need addressed; number & group names; services and providers)

These funds are offered to the San Francisco Police Department to hire new police officers for community oriented policing. It will allow the Department to hire twenty (20) new police officers for assignments in the district stations. With these newly hired officers, the Department will be able to expand the community oriented policing philosophy.

III. Outcomes/Objectives:

The Department plans to increase the staffing levels of the patrol force allowing the expansion of the community oriented policing philosophy. It will improve the relationship between citizens and officers working together to solve neighborhood problems.

IV. Effects of Reduction or Termination of These Funds:

V. Financial Information:

	Col. A Two Years Ago	Col. B Past Year/Orig.	Col. C Proposed	Col. D Change	Req. Match	Approved by
Grant Amount			\$2,000,000.00		\$2,000,000.00	01-001
Personnel			2,000,000.00		2,000,000.00	38-02-51
Equipment						Index Code
Contract Svc.						582015
Mat. & Supp.						PHASE D
Facilities/Space						page 1030
Other						11-17-93
Indirect Costs						

VI. Data Processing

(none included above)

VII. Personnel

FT CSC			20		
PT CSC					
Contractual					

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

From City & County of San Francisco budget or from the extension of 1% sales tax.

Will grant funded employees be retained after this grant terminates? If so, How?

Yes, incorporated in the Police Department's budget.

VIII. Contractual Services: Open Bid _____ Sole Source _____ (If sole source, attach Request for Estimate Form)

Item 2 - File 13-94-3.1

Item: Resolution urging the Mayor to instruct the City's lobbyist to work with the City's congressional delegation to include San Francisco as a community which will receive additional Police Officers in the pending Crime Bill.

Description: The Federal Crime Bill is two pieces of omnibus legislation: one originating in the U.S. Senate and the other in the House of Representatives. These omnibus bills include approximately \$44 billion that would be allocated to State and Local governments to increase law enforcement and crime prevention activities. \$8.9 billion of that \$44 billion would fund a "Cops on the Beat" program which would primarily provide grants to local governments to hire 100,000 additional police officers and to fund other law enforcement related programs.

The proposed resolution would urge the Mayor to instruct the City's lobbyist to work with the City's congressional delegation to include San Francisco as a community which will receive additional Police Officers in the Federal Crime Bill's \$8.9 billion "Cops on the Beat" grant program.

As the Federal Crime Bill is currently written, these "Cops on the Beat" grant funds would be renewable for five years and would require a 25 percent local match. Preference would be given to grant applicants that (a) exceed the 25 percent match, and (b) hire former members of the Armed Forces, especially in cities adversely affected by a base closure. Cities with populations over 150,000 would apply directly to the Attorney General for 40 percent of the grant funds. All cities would apply directly through the States for the remaining 60 percent of the grant pool.

According to Ms. Pam David, the Federal Coordinator for the Mayor's Office, the final Federal Crime Bill could change significantly before it is approved by the Senate and the House of Representatives. In addition, Ms. David advises that there may not be adequate Federal resources to fund some or all of the provisions of the Crime Bill, including the "Cops on the Beat" grant program. Finally, Ms. David reports that it could be two months before the outcome of the Crime Bill is known. Thus, it cannot be determined, at this time, how much, if any, of the proposed law enforcement and crime prevention Federal funds would be allocated to the City.

BOARD OF SUPERVISORS
BUDGET ANALYST

Comments:

1. The Federal Crime Bill includes a provision that limits the amount of grant funds paid to a local government for each police officer hired to \$50,000 per year. The average salary and fringe benefit cost for a San Francisco Police Officer is currently \$64,462 annually.

2. The Federal Crime Bill also stipulates that 85 percent of the \$8.9 billion of the Cops on the Beat grant funds, or approximately \$7.6 billion, must be used to hire or rehire police officers. The remaining 15 percent, or approximately \$1.3 billion, may be used to fund other law enforcement programs such as providing specialized police officer training or developing new technologies for preventing crime.

3. The Federal Crime Bill would permit Cities to use Narcotics, Forfeiture and Asset Seizure Fund revenues to provide the local match.

4. The Federal Crime Bill would not permit Cities to use the grant funds to supplant existing funding sources. Rather, Cities must provide an increased level of law enforcement services with the grant funds.

5. According to Ms. Theresa Lee of the Mayor's Office, the proposed resolution would not result in increased costs to the City to pay for the City's Federal lobbyist. Ms. Lee advises that instructing the City's Federal lobbyist to work with the City's congressional delegation to include San Francisco as a community which will receive additional Police Officers is consistent with the regular duties of the City's Federal lobbyist.

6. According to Sergeant John Bisordi of the Police Department, the grant funds included in the proposed Federal Crime Bill are not a part of Item 1 (File 143-94-1) of this report which would authorize the Police Department to apply for, accept, and expend \$2 million in Federal funds to supplement the City's costs of hiring 20 new Police Officers.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Item 3 - File 101-93-97

Department: Adult Probation Department

Item: Supplemental Appropriation Ordinance appropriating \$29,281 from Jail Overcrowding Fine revenue, for permanent salaries and mandatory fringe benefits, to allow the Adult Probation Department to continue the Probation Officers Working to End Recidivism Program, in order to minimize jail overcrowding.

Amount: \$29,281

Source of Funds: Jail Fine Escrow Account revenue - This revenue consists of fines paid by the City and County of San Francisco to a Federally assigned escrow account because of jail overcrowding. Funds from the Jail Fine Escrow Account can only be used for programs that assist in the reduction of jail overcrowding. The current balance in this account is \$836,105.

Description: The Adult Probation Department advises that the requested \$29,281 supplemental appropriation would be used to fund an existing unfunded 8434 Supervising Adult Probation Officer position, at an annual salary of \$56,272, in the Adult Probation Department's 1993-94 budget. This position would be assigned to coordinate the activities of the Probation Officers Working to End Recidivism (POWER) Program and administer the Department's SB 910 claims for reimbursement of Program costs. The POWER Program, which has been administered by the Adult Probation Department since 1991, provides drug education, counseling, life-skills training, referrals (i.e., housing, health, therapy) and drug testing to pregnant women or women with small children who are on felony probation and face lengthy jail time if they violate probation. Participants must volunteer for the program, have an addiction to drugs and have at least one child. According to the Adult Probation Department, currently there are 20 clients enrolled in the POWER Program. The Adult Probation Department reports that since the inception of the Program, 119 women have participated and, of that number, 73 women or 61 percent have remained drug free.

Mr. Roy Ellender of the Adult Probation Department, reports that Department staff have operated the POWER Program on a volunteer basis since 1991, in addition to their regular job duties. Mr. Ellender advises that the program has been coordinated by a Supervising Adult Probation Officer, whose other responsibilities involve the supervision of 10 Probation Officers. In addition to the Supervising Adult Probation Officer, Mr. Ellender states that there are currently 20

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Budget Committee
March 23, 1994, Budget Committee Meeting

Probation Officers who have volunteered to work one-on-one with the program clients. Each of these Probation Officers has as their regular responsibility the management of caseloads ranging from 200 to 300 probationers. According to Mr. Ellender, the Department can no longer continue to manage and coordinate the program effectively on a part-time volunteer basis because (1) the number of program clients has expanded from two clients at the inception of the program to a current average of approximately 15 clients and (2) in order to adequately meet the needs of the clients, the number and types of client services have been expanded over the period of time that the program has been in operation. In addition, Mr. Ellender states that the program has had to turn away some potential clients because of insufficient management resources to recruit volunteers and assist with the provision of services. As such, the Adult Probation Department is proposing to fill a vacant full-time Supervising Adult Probation Officer position that would be assigned to coordinate and manage the activities of the POWER Program as well as administer the SB 910 claims for reimbursement of Program costs (see Comment 2 below).

The requested \$29,281 for the Supervising Adult Probation Officer position, for the period February 1, 1994 to June 30, 1994, would be expended as follows:

Supervising Adult Probation Officer	\$23,500
Fringe Benefits	<u>5,782</u>
Total	\$29,281

Comments:

1. As noted above, the requested \$29,281 was based on the Adult Probation Department being able to fill the Supervising Probation Officer position effective February 1, 1994. The Department now reports that the earliest this position could be filled is April 11, 1994. As such, if the proposed ordinance is approved, the legislation should be amended to reduce the total amount of the request by \$13,635 from \$29,281 to \$15,646 (\$12,720 in salaries plus \$2,926 in fringe benefits).

2. Mr. Ellender advises that the Department is in the process of determining the City's eligibility for SB 910 funds to pay for the proposed Supervising Adult Probation Officer position, effective FY 1994-95. Mr. Ellender advises that SB 910 funds are State funds which provide reimbursement for services provided to adults who are eligible for Medi-Cal funds. Mr. Ellender believes, based on a survey of other local jurisdictions, that the City will be eligible to receive SB 910 funds to pay for the Supervising Adult Probation Officer position. According to Mr. Ellender, if the proposed supplemental appropriation

BOARD OF SUPERVISORS
BUDGET ANALYST

request is approved and SB 910 funds do not become available and no other source of funding can be identified to continue to support the position, the position would be terminated, effective July 1, 1994 and the program would either be scaled back substantially or eliminated if volunteer management support cannot be maintained.

3. As noted above, funds from the Jail Fine Escrow Account, which is administered by the Sheriff's Department, can only be used for programs that assist in the reduction of jail overcrowding. The Sheriff's Office and the City Attorney's Office have both reviewed the POWER Program and concur this program meets that criteria.

4. Attached is a memo prepared by Ms. Arlene M. Sauser, Chief Probation Officer, which outlines the method by which the Adult Probation Department has administered and operated the POWER Program since its inception in 1991. The memo, in part, advises that the Supervising Adult Probation Officer who has been responsible for administering the POWER Program, is now unable to meet other job responsibilities, due to the current demands of the POWER Program.

5. The Budget Analyst notes that (1) the Adult Probation Department has administered and operated the POWER Program with its existing resources since its inception in 1991 and (2) the Adult Probation Department seems reasonably assured that SB 910 funds will become available to pay for the requested Supervising Adult Probation Officer position effective July 1, 1994. Since only approximately three months remain in this fiscal year, the Budget Analyst believes that rather than using the City's Jail Overcrowding Revenue funds to pay for the proposed Supervising Adult Probation position at this time, the Adult Probation Department should continue to administer the POWER Program with its existing staff for the remainder of this fiscal year. Therefore, the Budget Analyst recommends that the proposed ordinance not be approved at this time. The funding for the position of the Supervisory Adult Probation Officer now being requested, should instead be requested in the 1994-95 budget.

Recommendation: Do not approve the proposed ordinance. If the Board of Supervisors decides to approve the proposed ordinance, the ordinance should be amended to reduce the permanent salaries amount by \$10,780 from \$23,500 to \$12,720 and reduce the fringe benefit amount by \$2,855 from \$5,781 to \$2,926 for a total reduction of \$13,635. In total, the requested \$29,281 should be reduced by \$13,635 to \$15,646.

BOARD OF SUPERVISORS
BUDGET ANALYST

City and County of San Francisco

**Adult Probation Department
Hall of Justice**



ARLENE M. SAUSER
CHIEF ADULT PROBATION OFFICER

March 21, 1994

Debra Newman
Harvey Rose Corporation
1390 Market Street, Suite 1025
San Francisco, CA 94102

Ref: File #101-93-97
Adult Probation Department POWER Program

Dear Debra:

Thank you for the opportunity to talk to you this morning, and to provide you with clarification about how the job is currently getting done as well as why it can't continue without funding at least this one position.

First, it's important to understand that the other 20 staff who work in this program will continue to do so on a voluntary basis. What this means is they will continue to volunteer their lunch hour time, give up breaks, and do what is necessary to serve the women in the program. Others who are giving a significant amount of their time voluntarily include a state parole agent, representatives from the Sheriff, DSS, Health Department, Housing, and the Community. A judge and a probation officer from the Youth Guidance Center have voluntarily taught some of the noon classes (their own time).

What has become unmanageable is the job of administering the POWER program, which is the responsibility of a supervisor, because the program has grown and with more people volunteering time, materials and services, it has also become more complex. The supervisor has been unable to meet all her responsibilities as a

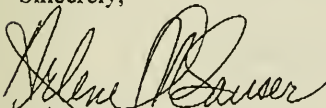
supervisor plus administer the POWER program in a 40 hour week. Probation Officers under her supervision have gone without supervision for extended periods of time and journeyman probation officers have had to provide training and supervision to new officers instead of new officers receiving it from their supervisor. Although this arrangement can work in the short term it can't continue without subjecting Department and City to liabilities that stem from failure to train, failure to supervise clients (officers filling in with supervisory duties are unable to supervise probationers in a way that assures community safety), etc. The supervisor, while trying to juggle both jobs, has taken work that couldn't be delegated, such as staff performance evaluation, home with her or has worked extended hours, which we have tried to discourage because of FLSA considerations.

If this position is funded, in addition to administering the POWER program, she will administer the SB 910 funding claim which will more than pay for the one position. Other probation departments throughout the state have only been able to pursue SB 910 monies by adding staff and resources much as the Juvenile Probation Department has done in pursuing Title IV A & E claims. I also should point out that the position is expected to pursue grant funding since we have no grant writer.

Please call me at 553-1688 if this doesn't provide the clarification you need. I'm taking the liberty of sending you some material about the POWER program. I know you're terribly busy but its worth reading and I hope we can continue it.

Thank you for your consideration.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Arlene M. Sauser', written over a horizontal line.

Arlene M. Sauser
Chief Probation Officer

AMS:hbm
attachment

NOTE: The City would be getting incredible value by funding this one position. Saved jail bed days is the most obvious, and then there is all the professional hours that have been donated or volunteered and all our babies who have been born healthy so far.

Item 4 - File 229-94-1

Department: Department of Electricity and Telecommunications (DET)

Item: Ordinance:

(1) directing the General Manager of the Department of Electricity and Telecommunications to establish a new application procedure for the issuance of permits for connecting auxiliary fire alarm systems to the municipal alarm system.

(2) directing the General Manager of the Department of Electricity and Telecommunications to review all submitted applications for connection to the municipal fire alarm system.

(3) directing the General Manager of the Department of Electricity and Telecommunications to prepare a new form of permit for connecting to the municipal fire alarm system.

(4) directing the General Manager of the Department of Electricity and Telecommunications to execute and issue permits for connecting to the municipal fire alarm system. This will increase the existing monthly fee of \$2.50 (\$30 annually) to \$15 per month (\$180 annually).

(5) directing the General Manager of the Department of Electricity and Telecommunications to charge an annual fee of \$180 for each connection and to charge a fee to cover the costs incurred by the City to connect an auxiliary fire alarm system to the City's fire alarm system.

(6) revoking all existing permits effective 120 days from the passage of this ordinance.

(7) directing the General Manager of the Department of Electricity and Telecommunications to notify existing permittees of revocation of their permits.

Description:

The City's Charter Section 3.510 permits any person, firm, or corporation to have an auxiliary fire alarm system connected to the City's fire alarm system for fire protection under certain terms and conditions. The terms and conditions for such connection are to be established by the Board of Supervisors upon recommendation by the General Manager of the Department of Electricity and Telecommunications (General Manager). The proposed ordinance would revise the terms and conditions under which a person, firm, or corporation may connect its auxiliary fire alarm system to the City's fire alarm

BOARD OF SUPERVISORS
BUDGET ANALYST

system as recommended by the General Manager. These terms and conditions are as follows:

Applicant for Permit: The General Manager would establish a new application procedure to issue permits and connecting auxiliary fire alarm systems to the City's fire alarm system. The new application would require the following information:

- (1) Name, address and telephone number of applicant and contact.
- (2) Contact person for applicant.
- (3) Address, permitted use of, and owner's name of the building where the proposed auxiliary fire alarm would be installed and connected to the City's fire alarm system.
- (4) The type and location of the fire alarm system that the applicant intends to install.
- (5) If the applicant is not the owner, then a letter from the building owner would be required stating that the applicant is authorized to act as the owner's agent for purposes of connecting the auxiliary fire alarm system.

Review of Application: The General Manager would review all submitted applications and would have the right to approve or disapprove any submitted application.

Permit Form: In consultation with the City Attorney, the General Manager would prepare a permit form for connecting to the City's fire alarm system. This form would include various terms and conditions such as the annual fee, an agreement to maintain insurance, and a security deposit of at least \$10,000.

Monthly Fee and Other Fees: An annual fee of \$180 would be charged for each connection to the City's fire alarm system. This \$180 fee is \$150 or 500 percent more than the \$30 annual fee which the City currently charges. In addition to the annual connection fee, the General Manager would be permitted to charge a fee to cover the costs incurred by the City to connect an auxiliary fire alarm system to the City's fire alarm system.

Revocation of Permits: All existing permits covered by the proposed ordinance would be revoked effective 120 days after passage of the proposed ordinance. The General Manager would be directed to send a written notice to the existing permit holders notifying them of this revocation and informing them of the new procedure to obtain new permits.

Comments:

1. There are currently five fire alarm companies in San Francisco that have their auxiliary fire alarm systems connected to the City's fire alarm system. These companies are: California Fire Security; Simplex Time Recorder Company; Triple S Company; Pacific Auxiliary Fire Alarm Company; and Pacific Fire Extinguisher Company. These five companies have a total of 84 fire alarm auxiliary fire alarm connections to the City's fire alarm system. Thus, the City is currently collecting a total of \$2,520 (\$30 annual fee x 84 connections) per year from these companies. Under the proposed ordinance and based on the five companies that already have connections, the proposed annual connection fee of \$180 would generate \$15,120 annual revenue (\$180 x 84 connections = \$15,120) or \$12,600 more than the existing revenues. These revenues would be deposited into the City's General Fund.

2. According to Mr. Fred Weiner of the DET, the DET is proposing to increase the annual connection fee by \$150, from \$30 to \$180, because the existing fee of \$30 has been in effect for over 50 years and is not equivalent to the cost of maintaining the City's fire alarm connections. DET's annual costs to maintain the City's fire alarm system are \$733,000. According to DET, there are 2,037 fire alarm boxes in the City's system and each connection to a box should share in paying one-half of the maintenance costs for the box. Each auxiliary fire alarm system connects to one fire alarm box. The full maintenance cost for each box is approximately \$360 per year and one-half is \$180. Therefore, the proposed annual connection fee is \$180.

3. Mr. Weiner reports that the DET has not yet determined what its actual costs are to connect an auxiliary fire alarm system to the City's fire alarm system. However, Mr. Weiner estimates that the actual costs would be less than \$5,000 per connection to the City's fire alarm system and an average cost of approximately \$2,500 per connection. Mr. Weiner advises that, in addition to the annual connection fee, DET would determine its costs at the time of each requested connection and bill the company or individual accordingly. Mr. Weiner reports that DET does not have an estimate of the number of individuals or additional companies that would request a connection to the City's fire alarm system.

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Budget Committee
March 23, 1994

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 5 - File 101-93-96

Department: Sheriff's Department

Item: Ordinance appropriating \$660,558 to expand the Residential Care Program to minimize jail overcrowding for FY 1993-94.

Amount: \$660,558

Source of Funds: Jail Overcrowding Fine Revenue

Description: The 1993-94 Fiscal Year budget of the Sheriff's Department included \$8,984,000 to fund beds at the Alameda County jail and at nonprofit agencies with residential bed programs. \$2,223,610 of that \$8,984,000 funds 65 contracted beds and 23,725 bed days at three community agencies having residential bed programs under which the Sheriff places pretrial and sentenced inmates with substance abuse problems. These three community residential programs provide inmates with substance abuse treatment services while decreasing the jail population by diverting these individuals from the jail system to substance abuse treatment services. These community residential programs are an alternative (a) to housing inmates in the City's jails and/or (b) to housing inmates in Alameda County's jails under a contract between the City and Alameda County.

The proposed supplemental appropriation would fund an additional 46 beds and 1,291 bed days in five additional community residential programs.

The court must authorize placing inmates in these residential programs through a 4004 PC motion for pretrial prisoners or through the following jail commitment notation "sentence may be served through the Sheriff's 4004 PC Program." A 4004 PC motion is a court order which permits a prisoner to be discharged to a substance abuse treatment program if a jail is overcrowded. In addition to the court authorization, a Sheriff's Intake Officer and the Residential Program Manager must evaluate and accept an inmate to a residential program. The Sheriff maintains legal custody of the inmate until the inmate's sentence is completed.

The proposed \$660,558 would fund an additional 46 beds at \$55 to \$57 per bed per day as follows:

Memo to Budget Committee
March 23, 1994

<u>Residential Program</u>	<u>Beds</u>	<u>Cost per Bed per Day</u>	<u>Days</u>	<u>Total Cost</u>
Liberation House <i>1724 Steiner, S.F.</i> A 4 month residential substance abuse treatment program.	20	\$55	303	\$333,300
Jelani House <i>1601 Quesada St, S.F.</i> A 12 to 18 month residential treatment program for pregnant addicted women and up to two of their children ages 5 years and younger. Treatment includes infants born to mothers while in the program.	4	57	303	69,084
Asian American <i>2024 Hayes St, S.F.</i> An 18 month residential substance abuse program.	4	57	303	69,084
3rd Baptist <i>1399 McAllister St, S.F.</i> A supervised substance abuse education and transitional housing program.	6	55	191	63,030
Thurgood Marshall <i>2235 Sutter St & 9714 Empire Rd, Oakland</i> Supervised clean and sober living and transitional housing program.	12	55	191	126,060
Total	46		1,291	\$660,558

Comments:

1. Since September 1992, the City has been ordered by the Court to pay fines of \$300 per day for every inmate over a Court-imposed population limit of 426 inmates for the sixth floor at the Hall of Justice facility, resulting in the payment of \$2,149,200 in jail overcrowding fines for 7,164 inmate days (average of 895.5 per month) between July 1, 1993 and February 28, 1994.

BOARD OF SUPERVISORS
BUDGET ANALYST

The Jail Overcrowding Fine Revenue is money generated from the fines paid by the City and County of San Francisco to a Federally assigned escrow account because of jail overcrowding. According to a Federal Court order, these fine monies are to be spent exclusively on alleviating jail overcrowding. There is currently \$836,105 in this account.

2. As previously noted, the residential programs are an alternative to housing inmates in the City's jails and in Alameda County's jails. According to the Sheriff's Department, it costs the City \$63 per inmate per day in the City's jails, or \$6 to \$8 more than the residential program's \$55 to \$57 per bed per day. However, the \$63 per inmate per day cost to the City includes fixed and incremental costs. While the \$63 per inmate per day includes incremental costs that would be reduced if an inmate were housed in a non-City facility such as food, clothing and laundry, the \$63 also includes costs that the City could not reduce if an inmate were housed in a non-City facility, such as facility and staffing costs. Thus, the City would save less than \$6 to \$8 per bed per day by funding 1,291 bed days in the residential programs compared to funding the same number of bed days in the City's jails.

According to the Sheriff's Department, it costs the City \$68.10 per inmate per day in Alameda County jail. Therefore, as described in the following table, the City could save a maximum of \$151,330 by funding 1,291 bed days in the residential program compared to funding the same number of bed days in the Alameda County jail.

Alameda County Jail

	<u>Beds</u>	<u>Cost per Bed per Day</u>	<u>Days</u>	<u>Total Cost</u>
	20	\$68.10	303	\$412,686
	4	68.10	303	82,537
	4	68.10	303	82,537
	6	68.10	191	78,043
	<u>12</u>	<u>68.10</u>	<u>191</u>	<u>156,085</u>
Total Alameda County Jail	46		1,291	\$811,888
Total Residential Program	46 (this request)		1,291	<u>660,558</u> *
<i>Difference</i>				<i>\$151,330</i>

* As shown in description above.

BOARD OF SUPERVISORS
BUDGET ANALYST

These savings do not include the savings associated with not paying the \$300 per day per prisoner fine levied against the City for jail overcrowding on the sixth floor at the City's Hall of Justice Jail. Therefore, in addition to the above-cited savings, given the jail inmate overcrowding rate of 895.5 per month, the City may be able to reduce its jail overcrowding fines by a *maximum* of \$387,300 (1,291 bed days x \$300 fine for each bed day in excess of limit = \$387,300) as a result of funding the additional 46 beds and 1,291 bed days at the residential programs. The actual reduction in the City's jail overcrowding fines depend on which jail the prisoners entering the residential bed programs, would otherwise be housed.

3. The proposed supplemental appropriation would fund these 46 residential beds using Jail Overcrowding Fine monies for the remainder of FY 1993-94. The Federal Court must approve expenditures made from these Jail Overcrowding Fine monies. The Court has appointed a Special Master to Courts, Mr. Alan Breed, to make these expenditure authorizations. Mr. Breed has advised the Sheriff's Department that the Jail Overcrowding Fine monies should only be used for new programs to reduce prison overcrowding. The expenditure of these monies should not be used to fund ongoing program costs. Therefore, the General Fund may be required to fund any future funding for these residential programs.

However, Mr. James Harrigan, the Attorney for the Sheriff's Department, advises that while Mr. Breed requests that the Fine revenues not be spent to support ongoing costs, this expenditure restriction is not a Court ruling. Mr. Harrigan reports that if, in the future, the General Fund appropriation was insufficient to fund the residential programs, the City may be able to request additional Jail Overcrowding Fine monies.

4. According to Sergeant Ridgeway, the Sheriff's Department began funding these five residential treatment programs in January of 1994 using funds that were budgeted for the Alameda County jail contract. Thus, if the proposed supplemental appropriation is not approved, according to Sergeant Ridgeway, the Sheriff's Department may deplete its Alameda County jail contract and residential treatment program monies by mid-May, 1994. As a result, the Sheriff's Department would have to house the inmates in the City's jails and risk incurring additional jail overcrowding fines. In addition, because the Sheriff's

Department began funding these five residential treatment programs in January of 1994, the proposed ordinance should be amended to appropriate the \$660,558 retroactively.

5. Sergeant Ridgeway also reports that the neighborhoods surrounding the Thurgood Marshall Center, located on Sutter Street and Empire Road in Oakland, have secured a legal injunction preventing the Thurgood Marshall Center from housing prisoners. Sergeant Ridgeway reports that the Thurgood Marshall Center has appealed this decision. If the Thurgood Marshall Center loses its appeal, the Sheriff's Department will increase its existing contract with Walden House (not included in this supplemental appropriation) or Liberation House for the 12 beds and 191 bed days that are included in the proposed supplemental appropriation for the Thurgood Marshall Center.

6. According to the Sheriff's Department, an inmate will be determined unsuitable for placement in the Residential Program for any of the following reasons:

- Current or prior violent or sexual offenses
- Prior program failure (if the prisoner was previously placed in a substance abuse treatment program instead of serving jail time, and failed the program.)
- Jail misbehavior
- Propensity for violence or sexual offense
- Perceived insincerity (AWOL risk)
- Failure to comprehend program requirements

Recommendations: Approval of the proposed ordinance is a policy matter for the Board of Supervisors. If the Board of Supervisors approves the proposed ordinance, such approval should be made retroactively.

Item 6 File 101-92-12.2

Department: Chief Administrative Officer (CAO)
Superior and Municipal Courts

Item: Request for release of reserved funds for construction management related to the construction of the new courthouse

Amount: \$14,667

Source of Funds: Courthouse Construction Fund

Description: In order to fund the construction of a new courthouse, the Superior and Municipal Courts, pursuant to State law, collect surcharges on various filing fees and fines. The following surcharges are collected and deposited into the Courthouse Construction Fund for the future construction of a new courthouse:

First Filing - Superior Court	\$50.00
First Filing - Municipal Court	10.00
Parking Ticket	1.50
Traffic Violator School Fee	1.00

The Courthouse Construction Fund had a balance of \$5,390,000 as of March 20, 1994.

The Board of Supervisors previously appropriated \$335,134 for start-up costs to design the new courthouse in December of 1992 (File 101-92-12). Of the \$335,134 previously appropriated, \$214,667 was reserved pending selection of contractors. In March of 1993 the Board of Supervisors released \$200,000 of the \$214,667 (File 101-92-12.1) leaving a balance of \$14,667 on reserve for the construction management contract.

In October of 1993 the CAO's Office requested, and the Budget Analyst recommended, the release of reserved monies totaling \$3,580,000 (File 101-92-87.1) including \$3,565,333 that had been reserved from a June, 1993 supplemental appropriation of \$3,845,822 (File 101-92-87) plus the \$14,667 balance of the \$335,134 supplemental appropriation approved in December, 1992. The \$14,667 combined with \$479,333 from the June, 1993 supplemental appropriation was needed to pay for a \$494,000 contract with Luster Construction Management for construction management services. Luster Construction Management is an MBE firm.

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Budget Committee
March 23, 1994

According to the CAO's Office and the Controller's Office, the \$14,667 is still being held on reserve. Therefore, the CAO's Office is re-requesting the release of the \$14,667 that is needed to pay for contractual services of the construction manager for the new courthouse project.

Comment:

As previously stated, the Budget Analyst recommended release of the \$14,667 in October of 1993 when the CAO's Office first requested release of the monies because the CAO's Office had selected the contractor to perform construction management services for the new courthouse project. However, procedurally, that release was never effected.

Recommendation: Release \$14,667 as requested.

Memo to Budget Committee
March 23, 1994

Item 7 File 101-93-24.1

Department: Chief Administrative Officer (CAO)
Superior and Municipal Courts

Item: Request for release of reserved funds for asbestos abatement costs of constructing a new courthouse

Amount: \$215,000

Source of Funds: Courthouse Construction Fund

Description: In order to fund the construction of a new courthouse, the Superior and Municipal Courts, pursuant to State law, collect surcharges on various filing fees and fines. The following surcharges are collected and deposited into the Courthouse Construction Fund for the future construction of a new courthouse:

First Filing - Superior Court	\$50.00
First Filing - Municipal Court	10.00
Parking Ticket	1.50
Traffic Violator School Fee	1.00

The Courthouse Construction Fund had a balance of \$5,390,000 as of March 20, 1994.

In November of 1993, the Board of Supervisors appropriated \$2,211,922 for completion of architectural and engineering services for the new courthouse and asbestos abatement at the existing buildings at 450 and 460 McAllister Street that must be demolished (File 101-93-24). Of the \$2,211,922 appropriated, \$324,500 was reserved for asbestos abatement (\$225,000) and a contingency fund (\$99,500) to address problems and issues that could arise prior to the completion of (a) the Environmental Impact Report (EIR) and (b) the permit approval processes. The \$324,500 was reserved because a contractor to perform the asbestos abatement had not been selected and because the contingency fund monies were not immediately required.

The CAO's project manager for construction of the new courthouse reports that a contractor has been selected to perform the asbestos abatement and requests that \$215,000 be released for the asbestos abatement contract, and related costs, as follows:

BOARD OF SUPERVISORS
BUDGET ANALYST

<u>Contractual Services</u>	
Asbestos Abatement	\$150,000
Air and Materials Testing	<u>30,000</u>
Subtotal	\$180,000
Contingency (19.4 %)	<u>35,000</u>
Total Requested Release of Reserve	\$215,000

The CAO received three bids for the asbestos abatement contract. Marfield Company, Inc. was selected as the lowest bidder to perform the asbestos abatement. Marfield Company, Inc., which is not an MBE or WBE firm, bid \$150,000 to complete this work.

The firm of SCA Environmental is currently under contract to perform hazardous material inspections for the new courthouse project. SCA Environmental is an MBE firm. According to the CAO's Office, SCA Environmental's current contract would be modified in order for SCA Environmental to also perform the testing of air and materials at a cost of \$30,000 which includes industrial hygiene oversight, air sampling and analyses and related inspection services, as follows:

Senior Consultant (30 hrs. @ \$110 per hr.)	\$3,300
Industrial Hygienist (360 hrs. @ \$55 per hr.)	19,800
Air Monitoring Technician (24 hrs. @ \$50 per hr.)	1,200
Air Sample Analyses:	
135 @ \$22 each	2,970
12 @ \$43 each	516
10 @ \$144 each	1,440
Equipment and Supplies	<u>774</u>
Total	\$30,000

Comments: The Department of Public Works normally includes an approximately ten percent contingency allocation for regular construction projects. However, the CAO's project manager for construction of the new courthouse indicates that larger than normal contingency allocations are appropriate for asbestos abatement projects because of the uncertainty as to the quantity and the location of asbestos in older buildings such as the 450 and 460 McAllister Street buildings. Therefore, the proposed project includes \$35,000 or a 19.4 percent allocation for contingencies.

Recommendation: Approve the release of \$215,000 as requested.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 8 - File 101-92-23.1

Department: San Francisco General Hospital

Item: Request for release of reserve funds, Department of Public Health, San Francisco General Hospital, in the amount of \$1,107,565, for two capital improvement projects to renovate Wards 14 and 15, San Francisco General Hospital Business Office and the Emergency Room/Outpatient Registration areas.

Amount: \$1,107,565

Source of Funds: Funds previously appropriated but reserved

Description: On December 30, 1992, the Finance Committee of the Board of Supervisors approved a supplemental appropriation ordinance (File 101-92-23) which appropriated \$1.4 million to San Francisco General Hospital (SFGH) for renovations to Wards 14 and 15 (which are now used for the SFGH Business Office), and to the Emergency Room and Outpatient Registration areas. Of the total \$1.4 million appropriation, \$260,000 was released by the Finance Committee, and \$1.14 million was placed on reserve pending the identification of contractors, including their MBE/WBE status.

SFGH is now requesting a release of reserve funds in the amount of \$1,107,565 to fund both the Business Office and the Emergency Department/Outpatient Registration renovation projects. A contractor has been selected for the Business Office renovations, but not for the Emergency Room/Outpatient Registration area renovations. In its supplemental appropriation request of December, 1992, the cost of these projects was estimated at \$900,000 and \$500,000, respectively, for a total of \$1.4 million.

Comments: 1. SFGH indicates that a total of \$340,000 has already been expended for the Business Office renovation project, including \$160,000 which was appropriated for the project in December, 1992 (File 101-92.23), and \$180,000 which was funded from the SFGH 1992-93 budget.

SFGH has submitted the following project budget for the remaining costs to renovate the Business Office. These remaining costs would be funded from the \$1.14 million which is currently on reserve:

BOARD OF SUPERVISORS
BUDGET ANALYST

Construction Bid	\$273,100
Space Designs (furniture)	80,000
Fire/life safety system	80,000
Finish Items (carpentry materials)	9,900
Contingency	30,000
Total	\$473,000

2. The \$80,000 for furniture, which is included in the above cost estimates, will be used for work stations which will be installed in the SFGH Business Office, consisting of desks, partitions, lighting, file cabinets, and related items. Mr. Eric Miller, Director of Plant Services for SFGH, reports that work stations will be constructed for approximately 80 to 90 employees. The total budgeted cost of furniture for the Business Office renovations is \$340,000, including \$260,000 already expended and \$80,000 which is part of the current request for release of reserve funds, as shown above. Thus, the average cost of furniture for each of approximately 85 Business Office employees will be approximately \$4,000 ($\$340,000 \text{ total furniture costs} \div 85 \text{ employees} = \$4,000$).

Mr. Miller states that the most basic work station available costs approximately \$2,200 per unit. The average budgeted cost of \$4,000 per work station at the SFGH Business Office is based on additional work station unit costs for filing cabinets, seating, and lighting, according to Mr. Miller. Mr. Miller reports that additional lighting will be needed at the work stations because the renovation project does not include upgraded overhead lighting.

The Budget Analyst believes that this average cost of \$4,000 per work station may be unnecessarily high, and has requested supporting documentation from Mr. Miller concerning the furniture purchases. However, this supporting documentation was not available as of the writing of this report. Therefore, the Budget Analyst recommends that, of the \$473,000 requested to be released for renovations to the Business Office, \$80,000 should continue to be reserved pending further information from SFGH concerning the cost of the furniture to be installed at the Business Office.

3. Mr. Miller reports that the budget for contingency costs was expected to be calculated as 10 percent of total construction costs of \$363,000 (\$273,100 construction bid plus \$80,000 for fire/life safety systems plus \$9,900 for finish items), or \$36,300. However, the actual project budget (as shown above) includes contingency funds of only \$30,000 in

BOARD OF SUPERVISORS
BUDGET ANALYST

order to make sufficient funds available for other budgeted project costs, according to Mr. Miller.

4. SFGH reports that the General Contractor firm of Cuevas Mannion has been selected for the Business Office renovations. Cuevas Mannion is a Minority Business Enterprise (MBE) and was selected from among six MBEs which submitted bids for the Business Office renovations, according to SFGH. Mr. Miller reports that bids were not solicited through formal advertising, but rather were solicited from a list of MBE/WBE firms which was provided by the Human Rights Commission. Mr. Miller reports that Cuevas Mannion submitted the lowest bid.

5. Based on the previously expended funds of \$340,000, the total estimated cost of the Business Office renovation project is \$813,000 (\$340,000 plus \$473,000) or \$87,000 less than the original estimated cost of \$900,000.

6. If \$473,000, as shown above, were released for the remaining Business Office renovations, this would leave \$667,000 on reserve (\$1.14 million on reserve less \$473,000) for the planned renovations to the Emergency Room/Outpatient Registration areas, for which a contractor has not yet been selected. SFGH currently estimates that the total cost for renovations to the Emergency Room/Outpatient registration areas will be between \$590,000 and \$747,000, or \$90,000 to \$247,000 more than SFGH's original estimate of \$500,000 for this project. Mr. Miller indicates that \$80,000 has already been expended for this project. Therefore, there will be an additional need for an estimated \$510,000 to \$667,000 to complete the renovations to the Emergency Department/Outpatient Registration areas, based on SFGH's current cost estimates.

As noted above, \$667,000 will remain on reserve for the Emergency Department/Outpatient Registration area renovations, if \$473,000 is released at this time for the Business Office renovations. Thus, based on SFGH's current estimate of remaining costs of between \$510,000 and \$667,000 for the Emergency Department/Outpatient Registration area renovations, the \$667,000 which would remain on reserve should be sufficient to complete that project.

7. As noted above, a contractor has not yet been selected for the Emergency Room/Outpatient Registration area renovations. SFGH indicates that a contractor for this project is expected to be selected in early May, 1994.

BOARD OF SUPERVISORS
BUDGET ANALYST

- Recommendations:**
1. Release \$393,000 of the \$1.14 million which is currently on reserve in order to fund construction costs for the Business Office renovation project.
 2. Continue to reserve \$747,000 of the \$1.14 million which is currently on reserve, including \$80,000 to remain on reserve pending further detail concerning the cost of furniture for the Business Office, and \$667,000 to remain on reserve pending the submission by SFGH of a final budget for the remaining renovations to the Emergency Department/Outpatient Registration areas, and the name and MBE/WBE status of the contractor for the Emergency Department/Outpatient Registration area renovations.

Item 9 - File 28-94-7

Department: Department of Public Works (DPW)

Item: Resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to replace a structurally inadequate sewer in Post Street between Larkin and Hyde Streets.

Amount: \$74,800

Source of Funds: Repair and Replacement Fund

Description: The three foot by five foot sewer in Post Street between Larkin and Hyde Streets is structurally inadequate and in danger of collapse as the result of old age. According to the DPW, in order to prevent collapse, immediate replacement of 480 linear feet of 12-inch sewer pipe is required.

In accordance with Section 6.30 of the Administrative Code, the DPW initiated an expedited contracting procedure to repair this sewer in Post Street, selecting Shaw Pipelines as the lowest responsive bidder to repair the sewer. The proposed resolution would approve the DPW's expenditure of funds for these emergency repairs. Shaw Pipelines is neither an MBE or WBE firm. The bidders and bid amounts are as follows:

<u>Name of Company</u>	<u>Amount of Bid</u>
Shaw Pipelines	\$74,800
McNamara and Smallman	85,200
Darcy & Harty Construction (MBE)	92,600
Uniacke Construction Inc.	110,750
P & M Pipelines	149,900

Comment: According to Mr. Norman Yim of the DPW, construction on the subject sewer is anticipated to begin in mid-April, 1994 and should be completed by mid-June, 1994.

Recommendation: Approve the proposed resolution.

Item 10 - File 82-94-3

Departments: Real Estate Department
Airports Commission

Item: Resolution authorizing the acquisition of a noise easement from the Millbrae School District.

Amount: \$135,700

Description: The San Francisco International Airport's Noise Easement Acquisition Program consists of insulating private residences and schools that are located near the San Francisco Airport.

The proposed resolution, which would authorize the acquisition of one noise easement to insulate Taylor Middle School, would represent the first noise easement to be purchased from the Millbrae School District by the City.

Once purchased, this noise easement would remain in effect for 20 years. The estimated cost to the City to acquire this easement is \$135,700 or 20 percent of the total \$678,500 estimated construction costs to insulate Taylor Middle School. The Millbrae School District would be responsible for the remaining 80 percent or \$542,800 of the total construction costs, which would be paid for by Federal grant funds.

Comments: 1. As noted above, the costs to the City of acquiring this noise easement is estimated at \$135,700. Mr. Marvin Ellis of the Airport reports that these funds are included in the Airport's FY 1993-94 operating budget for the Airport's Noise Easement Acquisition Program.

2. The City Attorney's Office has previously reported that the purchase of noise easements enables the City to comply with State legal requirements and should result in eliminating costs to defend against noise-related small claims lawsuits.

Recommendation: Approve the proposed resolution.

Item 11 - File 101-93-98

Departments: Department of Parking and Traffic (DPT)
Recreation and Park Department (RPD)

Item: Ordinance appropriating \$245,000 for facilities maintenance at St. Mary's Square Garage for the Department of Parking and Traffic for FY 1993-94.

Amount: \$245,000

Source of Funds: Off-Street Parking Fund

Description: The proposed ordinance would retroactively appropriate a total of \$245,000 to fund the first stage of removal of eight underground gasoline storage tanks, and performing associated soil and groundwater remediation work, at the City-owned St. Mary's Square Garage, at 433 Kearny Street.

Budget:

<u>Contractual Service - Harding Lawson Associates</u>	
Preparation of Work Plan and Permit Submittal	\$3,000
Underground Storage Tank Removal	190,870
Construction Management	15,000
Closure Report	<u>5,000</u>
Subtotal - Contractual Service	\$213,870
<u>DPW Bureau of Construction Management</u>	
Project Management & Coordination Labor Costs	10,000
Contingency (9.9% of Contractual Service)	<u>21,140</u>
Total Project Budget	\$245,010

Comments:

1. Mr. Kevin Hagerty of the DPT reports that the eight underground gasoline storage tanks were installed by the original operator of the garage, in 1954, during construction of the garage. Mr. Hagerty states that the gasoline storage tanks were installed because the original garage operator also sold gasoline at the garage.
2. Ms. Elaine Warren of the City Attorney's Office advises that the City could be subject to liability claims if the City does not remove the tanks immediately. Ms. Warren states that an adjacent property owner alleges that a petroleum product from the St. Mary's Square Garage is leaking into the underground garage across the street.
3. Mr. Hagerty reports that the Parking Authority Commission, at its Special Meeting of February 8, 1994,

BOARD OF SUPERVISORS
BUDGET ANALYST

declared that an actual emergency exists with respect to the underground storage tanks located at Saint Mary's Square Garage. The Parking Authority Commission has the authority to declare the existence of an emergency under Section 6.30(C) of the Administrative Code. Resolution 108-94-PA, which declares the emergency, urges the DPW to enter into one or more contracts, on an emergency basis, for the removal of the tanks and any related soil or groundwater remediation work necessary to alleviate the emergency.

4. Ms. Carol Shamblen of the Department of Public Works (DPW) reports that the environmental services firm of Harding Lawson, which the DPW retains on an as-needed basis conducted the initial environmental study of the area in July, 1993. Ms. Shamblen notes that this as-needed contract with Harding Lawson was issued on the basis of a competitive bid. Following the emergency declaration, the DPW authorized the firm of Harding Lawson Associates to select a subcontractor, through a competitive bidding process, to remove the tanks. Ms. Shamblen reports that Harding Lawson selected the firm of Golden West Environmental Contractors to remove the tanks. Because of the emergency, Ms. Shamblen states that the DPW authorized work to commence on March 19, 1994. This authorization was in accordance with Administrative Code Section 6.30(C).

Ms. Shamblen states that, although the Human Rights Commission has not reviewed the contract because of the emergency nature of the work, approximately 16.6 percent of the \$213,870 contract, or approximately \$35,500, will be subcontracted by Harding Lawson Associates and Golden West Environmental Contractors to MBE firms. Ms. Shamblen advises that neither Harding Lawson Associates nor Golden West Environmental Contractors is an MBE or a WBE firm.

5. Ms. Shamblen states that the proposed ordinance would fund the first stage of removal of the tanks and performing necessary soil or groundwater remediation. Ms. Shamblen advises that the first stage would consist of tank removal and over-excavation, which involves digging until soil tests show that the soil contains an acceptable level of petroleum products, or to a depth of 20 feet, whichever comes first.

According to Ms. Shamblen, a subsequent phase, to be carried out during FY 1994-95, would involve a study to determine what, if any, further soil and groundwater remediation needs to be done. Ms. Shamblen estimates that this study will cost \$25,000 to \$35,000. However, Ms. Shamblen is unable to estimate what further remediation

measures might cost, because the nature and extent of such remediation measures, which is to be determined by the study, is unknown at this time.

6. Mr. Hagerty advises that, because the Recreation and Park Department (RPD) receives 58 percent of the net income from the St. Mary's Square Garage, RPD staff has agreed to reimburse the Off Street Parking Fund for 58 percent of the cost of removing the tanks and performing associated remediation work, provided that the RPD has a sufficient balance in the Recreation and Park Special Revenue Fund to cover this cost. For the phase of work covered in this ordinance, a 58 percent share would total \$142,100. This agreement was detailed in a March 4, 1994 memorandum from Ms. Kathryn Hile of the DPT to Mr. Phil Arnold of the RPD.

7. Mr. Larry Wayte of the City Attorney's office advises that the City's lease with the prior lessee of the Garage, Metropolitan Parking Corporation (Metropolitan), required Metropolitan to remove the tanks. However, Mr. Wayte reports that Metropolitan never carried out the removal. He states that Metropolitan's lease was not renewed after it expired in 1992, and the company subsequently declared bankruptcy. Mr. Wayte advises that the City is pursuing a legal claim for non-payment of rent, which also includes the cost of the tank removal. Mr. Wayte further advises that the City's chances of recovering the cost of removing the tanks from Metropolitan would not be adversely effected by the proposed ordinance.

8. Mr. Hagerty states that the DPW will apply on DPT's behalf to a State fund that provides some reimbursement to property owners for soil and groundwater remediation costs in excess of \$10,000. However, Mr. Hagerty advises that the State fund gives low priority to reimbursing public property owners, such that the City may not receive reimbursement from the State for the remediation costs at the Garage.

9. The Capital Improvement Advisory Committee (CIAC) recommends approval of the proposed ordinance.

10. Because the proposed ordinance would authorize funds for emergency work that commenced on March 19, 1994, the proposed ordinance should be amended to appropriate \$245,000 for facilities maintenance at St. Mary's Square Garage retroactively.

Memo to Budget Committee
March 23, 1994

Recommendation: Amend the proposed ordinance to appropriate \$245,000 for facilities maintenance at St. Mary's Square Garage retroactively. Approve the proposed supplemental appropriation ordinance.

Item 12 - File 101-93-95

Department: Port

Item: Supplemental Appropriation Ordinance appropriating \$1,336,856 for the Port for capital improvement and facilities maintenance projects and debt service payments for fiscal year 1993-94.

Amount: \$1,336,856

Source of Funds: \$1,108,000 - San Francisco Harbor Operating Fund
228,856 - 1984 Port Revenue Bond Fund
\$1,336,856 - Total

Description: The Port's requested supplemental appropriation in the amount of \$1,336,856 would be used by the Port to fund five projects and to make payment towards debt service as follows:

Seismic Safety Building Survey Project - \$200,000

This project involves surveying approximately eight Port-owned unreinforced masonry buildings with respect to soil, asbestos and masonry conditions. The Port advises that a Request for Proposals (RFP) has not yet been issued by the Port to acquire the necessary consultant services to conduct the survey.

Waterfront Land Use Plan Project - \$539,000

The Waterfront Land Use Plan will consist of the following three phases: (1) identifying how much Port land should be reserved for water-dependent maritime activities, (2) addressing the range of non-maritime uses that should be considered for development on Port property, including public recreation and open space and public access opportunities in connection with new development and (3) reconciling the land use recommendations produced in the first two phases, in order to produce a balanced Waterfront Plan that is financially feasible and can be implemented. The Port advises that RFPs have been issued to acquire the necessary consultant services to implement the tasks associated with the plan. However, according to the Port, specific contractors have not, as yet, been selected. The Port's projected expenditures for the \$539,000 are as follows:

Environmental Impact Review (EIR)	\$390,000
Contingency (10% of EIR)	39,000
Graphic Design Consultant	20,000
Printing and Mailing	20,000
City Planning	<u>70,000</u>
Total	\$539,000

Pier 45 Repairs Project - \$119,000

The proposed repairs to Pier 45 involve the repair to the Pier's fender system (a wooden construction of piles and timbers that form a cushion between the pier and a vessel). The requested \$119,000 would be used to pay for work to be performed by Port staff, materials and supplies and the rental of equipment. The Port estimates that the \$119,000 will be expended as follows:

Lumber	\$99,200
Hardware	2,800
Debris Removal (Port)	13,000
Equipment Rental	<u>4,000</u>
Total	\$119,000

Ferry Building Renovation Project - \$250,000

This project involves the complete restoration of the historic Ferry Building. The Port advises that the following principles will guide this restoration: (1) transportation will be the primary theme and focus of the building, (2) water-based transportation activities will be increased in the building's surroundings, (3) the ground level of the building will be opened up to encourage public access and visibility to the Bay, (4) the sky lit gallery on the second level of the building will be restored where possible as the principal public area, (5) uses of the building will be a blend of public and commercial, depending on market and financial feasibility and (6) the public nature of the building will be emphasized. The Port advises that the requested \$250,000 would be used to pay for development feasibility analysis and planning for this project. The Port advises that an RFP has been issued by the Port to acquire the necessary consultant services to perform this work. However, according to the Port, a specific contractor has not, as yet, been selected.

PG & E Work at Pier 80 - \$194,575

This project involves Pacific Gas & Electric (PG & E) utility work which must be performed in order to provide upgraded electrical power to the North Container Terminal at Pier 80. This work involves, in part, the undergrounding of the existing overhead wires on the Pier. The Port advises that PG & E is being paid for this work because, pursuant to the State of California Public Utilities Commission Rule 20C, the Port is responsible for paying all costs associated with undergrounding the existing facilities.

Payment towards Debt Service - \$34,281

The Port advises that the current unreserved fund balance in the Port's 1984 Revenue Bond Fund is \$228,856. The Port is proposing to pay \$194,575 for the work to be done by PG & E at Pier 80 from this Fund, which would leave a remaining balance of \$34,281. The Port is proposing to use this remaining \$34,281 to pay debt service on the 1984 Revenue Bond which is due in 1993-94.

Comment:

As noted above, the Port has not, as yet, selected the contractors for the Seismic Safety Building Survey (\$200,000), the Waterfront Land Use Plan (\$469,000) and the Ferry Building Renovation Project (\$250,000). As such, \$919,000 should be placed on reserve pending the Port's submission of contract cost details, including hours and hourly rates where appropriate, and the MBE/WBE status of the contractors. Additionally, as of the writing of this report, the cost details for the expenditure in connection with City Planning services for the Waterfront Land Use Plan, were unavailable. Therefore, \$70,000 should be placed on reserved pending the Port's submission of expenditure details on the City Planning services in connection with the Waterfront Land Use Plan, bringing the total amount to be placed on reserve to \$989,000.

Recommendation: Amend the proposed ordinance to place a total of \$989,000 on reserve pending the Port's submission of (1) contract cost details, including hours and hourly rates where appropriate, and the MBE/WBE status of the contractors (\$919,000) and (2) expenditure details on the City Planning services in connection with the Waterfront Land Use Plan (\$70,000), and approve the proposed ordinance, as amended.

Memo to Budget Committee
March 24, 1994 Budget Committee Meeting

Item 13 - File 101-93-101

Department: Public Defender

Item: Supplemental Appropriation Ordinance reappropriating \$97,400 from the Public Defender's permanent salaries account to its telephone, materials and supplies and lease/purchase equipment accounts.

Amount: \$97,400

Source of Funds: Reappropriation of funds from permanent salaries

Description: The Public Defender advises that due to budget cuts in its 1993-94 budget by the Mayor's Office, the Department was underfunded in its telephone and material and supplies accounts. The Public Defender is now requesting funding for the difference between the amounts that were budgeted for these accounts and the total amounts that are projected to be expended in these accounts for FY 1993-94.

Additionally, \$20,400 is being requested for the lease/purchase equipment account which would be used by the Department to purchase five new personal computers and related equipment to replace outdated computer equipment.

The following analysis, provided by the Public Defender, summarizes the projected budget deficiencies:

	<u>Amount Budgeted</u>	<u>Amount Expended 7/1/93 to 2/28/94</u>	<u>Projected Expenditure 3/1/ 94 to 6/30/94</u>	<u>Total Projected Expenditure</u>	<u>Total Projected Deficit</u>
Telephone	\$65,300	\$65,300	\$60,000	\$125,300	\$60,000
Materials and Supplies	<u>35,000</u>	<u>35,000</u>	<u>17,000</u>	<u>52,000</u>	<u>17,000</u>
Total	\$100,300	\$100,300	\$77,000	\$177,300	\$77,000

The Public Defender advises that the projected budget deficit is based primarily on the Department's historical expenditure pattern for the above noted accounts. The Public Defender is proposing to reappropriate the \$97,000 needed to pay for this request from surplus funds in its permanent salaries account.

Comment: As noted above, an amount of \$20,400 is also being requested for the lease/purchase equipment account, which would be used to purchase five personal computers and related equipment needed to replace outdated computer equipment. According to the Public Defender, the existing computers are unreliable due

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Budget Committee
March 24, 1994 Budget Committee Meeting

to frequent breakdowns and the fact that replacement parts are not readily available because the manufacturer of the computers, the Desktops Products company, has gone out of business. The requested \$20,400 for the purchase of the proposed computer equipment would be expended as follows:

AST Bravo Personal Computer (4 x \$2,256 each)	\$9,024
Miscellaneous Related Equipment	3,660
AST Bravo Personal Computer (1)	2,565
Miscellaneous Related Equipment	1,504
Software and Hardware	2,049
Sales Tax	<u>1,598</u>
Total	\$20,400

The Public Defender has received approval from the Electronic Information Processing Steering Committee (EIPSC) for the purchase of the above-noted computer equipment.

Recommendation: Approve the proposed ordinance.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 14 - File 170-94-3

Department: Chief Administrative Officer (CAO)

Item: Ordinance (a) providing for the approval and execution and delivery by officers of the City and County of San Francisco of an Equipment Lease Supplement No. 3 between the San Francisco Finance Corporation, as Lessor, and the City and County of San Francisco, as Lessee, with respect to equipment to be used for City purposes and the related Certificate of Approval; (b) providing for reimbursement to the City of certain City expenditures prior to the issuance of lease revenue bonds and approving the issuance of lease revenue bonds by said non-profit corporation; (c) providing that said bonds shall be subject to the certification of the Controller of the City and County of San Francisco prior to the sale of said bonds; (d) providing for the execution of documents in connection therewith and (e) ratifying previous actions taken in connection therewith.

Amount: Not to exceed \$7 million.

Description: In June, 1990, San Francisco voters approved Proposition C, a Charter amendment which authorized the Board of Supervisors to authorize and approve the lease-financing of equipment purchases for the City through a non-profit corporation, the San Francisco Finance Corporation. The equipment leased by the City is purchased by the San Francisco Finance Corporation with the proceeds of lease revenue bonds.

Pursuant to Proposition C, the total outstanding indebtedness of the San Francisco Finance Corporation may not exceed a principal amount of \$20 million at any given time beginning in 1990-91, with the limit increased by five percent in each subsequent fiscal year. The maximum amount of authorized outstanding indebtedness in 1993-94 is \$23,152,500.

Interest rates on lease revenue bonds issued by non-profit corporations are generally lower than the interest on other financing instruments, resulting in lower lease-purchase costs to the City, because of the tax-exempt status of investments in non-profit corporations. Proposition C requires that the San Francisco Finance Corporation may not issue lease revenue bonds for equipment purchases unless the Controller certifies that the interest costs to the City will be lower through the San Francisco Finance Corporation than through other financing instruments.

The Board of Supervisors previously authorized the issuance by the San Francisco Finance Corporation of up to \$27,304,707 in

BOARD OF SUPERVISORS
BUDGET ANALYST

lease revenue bonds to finance the purchase of equipment, as follows:

<u>Fiscal</u> <u>Year</u>	<u>Lease Revenue</u> <u>Bonds</u>
1990-91	\$7,304,707
1991-92	Up To 10,000,000
1992-93	Up To <u>10,000,000</u>
Total	Up To \$27,304,707

The proposed ordinance would authorize the issuance of additional lease revenue bonds in fiscal year 1993-94 by the San Francisco Finance Corporation in an amount not to exceed \$7 million, provided that the Controller certifies that interest costs to the City under the proposed bond issuance would be lower than through other financing sources. The proposed ordinance would also authorize an Equipment Lease Supplement No. 3 between the City and the San Francisco Finance Corporation for the City's lease purchase of additional equipment purchased with proceeds of the new lease revenue bonds.

In addition, the proposed ordinance provides for reimbursement to the City of certain expenditures (see Comment 7) prior to the issuance of the proposed additional lease revenue bonds, provides for the execution of documents needed to implement the proposed ordinance, and ratifies actions previously taken.

The annual budgets of City departments must include the amount of the City's annual lease-purchase payments (including principal and interest) for equipment procured through the San Francisco Finance Corporation. Since these payments are required under the terms of the lease-purchase agreement with the San Francisco Finance Corporation, the annual payments become fixed costs of City departments for a period of several years, once the equipment has been procured, until the cost of the equipment is paid in full by the City.

Comments:

1. As previously noted, the San Francisco Finance Corporation was authorized to issue up to \$27,304,707 in 1990-91, 1991-92 and 1992-93 in Lease Purchase Revenue bonds to procure equipment on behalf of the City. According to the Chief Administrative Officer's Office, the actual amount of lease revenue bonds issued by the San Francisco Finance Corporation, the amounts which have been repaid, and the outstanding indebtedness as of April 1, 1994 are as follows:

Memo to Budget Committee
March 23, 1994

Series 1991A Bonds

Lease Purchase Revenue Bonds Issued	\$7,020,000	
Repayment to date	<u>(4,340,000)</u>	
Outstanding Indebtedness: Series 1991A:		\$2,680,000

Series 1992A Bonds

Lease Purchase Revenue Bonds Issued	\$5,555,000	
Repayment to date	<u>(1,500,000)</u>	
Outstanding Indebtedness: Series 1992A:		4,055,000

Series 1993A Bonds

Lease Purchase Revenue Bonds Issued	\$10,200,000	
Repayment to date	<u>(2,270,000)</u>	
Outstanding Indebtedness: Series 1992A:		<u>7,930,000</u>

Total Current Outstanding Indebtedness	\$14,665,000
--	--------------

2. The current, unused balance of lease financing available in 1993-94 in accordance with the provisions of Proposition C is \$8,487,500 (Proposition C established a limit of \$23,152,500 in available indebtedness for 1993-94 less the current outstanding balance of \$14,665,000). The proposed ordinance would authorize the issuance of new lease revenue bonds in 1993-94 in an amount not to exceed \$7 million, which is within the San Francisco Finance Corporation's current debt capacity under Proposition C of \$8,487,500.

3. The attachment shows a total of 127 equipment items with a total cost of approximately \$5,851,710 that were included in the 1993-94 City budget that would be funded by the Proposition C lease revenue bonds for 1993-94. The estimated budget for the proposed, (not to exceed) \$7 million in lease revenue bonds for 1993-94 is as follows:

Equipment Costs	\$5,851,710
Required Reserve Fund	700,000
Bond Issuance Costs	150,000
Capitalized Interest*	<u>200,000</u>
Total	\$6,901,710

* Pursuant to State law, the City cannot make any interest payments on lease revenue bonds until the equipment has been received by the City. However, interest on the lease revenue bonds begins accruing when the bonds are sold regardless of when the equipment is eventually purchased and received by the City. Therefore, accrued interest must be paid from proceeds of the bonds until such time as the equipment is actually received by the City and interest payments can be made from funds appropriated in the City budget.

BOARD OF SUPERVISORS
BUDGET ANALYST

4. The actual interest costs to the City of the proposed 1993-94 equipment lease-purchases cannot be determined precisely, because the interest rate will depend on the financial market interest rate when the bonds are actually sold. Interest costs will also vary for each equipment item purchased based on the number of years in the repayment period for the item. The repayment periods for the lease-purchase of equipment financed by Proposition C lease revenue bonds varies from three to seven years.

5. Ms. Laura Wagner-Lockwood of the Chief Administrative Officer's (CAO) Office estimates that, if Series 1994A Lease Revenue Bonds are sold in a principal amount of \$7 million, at an estimated annual interest rate of 5.25 percent (based on current financial market interest rates) and based on the expected repayment periods of between three and seven years, the City's total principal and interest costs would be \$7.8 million over the life of the bonds. Based on these estimates, the City's total interest costs over the life of the bonds would be \$0.8 million (\$7.8 million estimated total repayment cost less \$7 million estimated original principal amount).

6. Ms. Wagner-Lockwood estimates that the City's total 1994-95 payments to the San Francisco Finance Corporation for the proposed new equipment (including principal and interest) will be approximately \$980,000 and that the maximum annual debt service (amount of the City's repayment) which would be required in any single year before the bonds are retired would be approximately \$2,085,000.

7. Although the proposed lease revenue bond proceeds are the intended source of funds for the purchase of equipment already approved in the City's 1993-94 budget, some of this equipment is required immediately such that the City cannot wait until the lease revenue bonds are sold to purchase this equipment. In these cases, the City would purchase the equipment with monies temporarily borrowed from other sources of funds with the intent that under the reimbursement provisions of the proposed ordinance, the temporary sources of funds would be reimbursed when the lease revenue bonds are sold. Subsequent to this reimbursement, the equipment would be owned by the San Francisco Finance Corporation and the San Francisco Finance Corporation would lease the equipment to the City.

8. The City would take ownership of the proposed equipment upon repayment of all principal and interest costs to the San Francisco Finance Corporation in the form of lease payments, according to the repayment terms specified in the Equipment Lease Supplement No. 3, which the CAO would be authorized to execute under the proposed ordinance.

9. A proposed Charter Amendment to be placed on the June, 1994 ballot would increase the \$20 million limit on the amount of lease revenue bonds to \$40 million. According to the CAO's Office, the \$40 million base would take effect for fiscal year 1994-95 with five percent increases in the \$40 million limit each year beginning with fiscal year 1995-96.

10. The use of lease-financing is equivalent to borrowing funds, with resultant interest costs, to purchase equipment. Since such financing requires fixed, mandatory lease payments by City departments over several years, the use of lease-purchases "locks in" departmental expenditures for future years resulting in a reduction in the amount of discretionary monies in the City's budget in future years. However, the CAO's Office recommends the use of lease-financing with Proposition C bonds for the City's major equipment purchases in order to spread the costs over several years.

Recommendation: Approve the proposed ordinance.

City and County of San Francisco - Finance Commission

Public Works Board - November 1991

All Equipment

SUMMARY OF EQUIPMENT TO BE FINANCED

Department	Equipment	# of Units	Unit Cost	Total Cost
Dept. of Public Health	Vehicles-Toxics Program	2	10,825	21,650
Dept. of Public Health	Vehicle-Conservatorship	1	14,000	14,000
Electricity	Telecomm Power Supply	5	23,000	115,000
Electricity	Main Library Equipment	1	65,000	65,000
Fire	Aerial Trucks	2	448,100	896,200
Fire	Pumper Trucks	4	226,468	905,872
Fire	Tape Recorders	1	30,000	30,000
HSS	Computer System	1	86,000	86,000
Police	Marked Vehicles	20	28,215	564,300
Police	Unmarked Vehicles	20	23,854	477,080
Police	Marked Wagons	7	24,748	173,236
Police	Solo Motorcycles	10	8,640	86,400
Police	Trail Motorcycles	7	3,300	23,100
Police	Color Copier	1	86,809	86,809
Police	Utility Vehicles	2	26,000	52,000
SPGH	AVL-Computer Hardware	1	31,870	31,870
SPGH	AVL-Mobile Data Terminals	15	9,379	140,680
SPGH	Lifepak Cardiac Monitor	1	53,215	53,215
SPGH	Electrocardiograph	1	111,090	111,090
SPGH	EMG Machine	1	38,000	38,000
SPGH	Ophthalmic Microscope	1	85,000	85,000
SPGH	Central Station - OBGYN	1	200,000	200,000
SPGH	Administration Vehicle	1	20,000	20,000
SPGH	PDMS Replacement Sys.	1	850,000	850,000
SPGH	Ambulances	5	46,022	230,111
SPGH	CMEID 9-1-1 Tape Recorder	1	30,000	30,000
SPGH	Pulse Oximeter	1	43,016	43,016
SPGH	Zoll Monitor	5	9,097	45,485
SPGH	Orthopedic Power Equipment	5	3,823	22,936
SPGH	Capnometer with ANE	1	20,000	20,000
SPGH	Power Equipment - OT	5	8,357	50,023
SPGH	Air Shields NICU WA	1	32,000	32,000
SPGH	Metabolic Analyzer	1	28,755	28,755
SPGH	Surgical Lights	5	19,500	117,000
SPGH	O.R. Washer / Sterilizer	2	54,216	108,431

127

5,851,710

Item 15 - File 79-93-2.2

Department: Mayor's Office of Community Development (MOCD).

Item: Resolution approving an amendment to the 1994 Community Development Program and authorizing the Mayor, on behalf of the City and County of San Francisco, to receive and expend \$2,125,000 in additional entitlement funds and transfer \$130,000 from contingencies under the City's 1994 Community Development Block Grant (CDBG) Program from the U.S. Department of Housing and Urban Development, approving Addendum 1 to the expenditure schedule for recipient departments and agencies and for indirect costs, and, determining no environmental evaluation is required, authorizing the receipt and deposit in contingencies of 1994 CDBG entitlement funds in excess of \$24,166,000.

Description: In December, 1993, the Board of Supervisors approved the 1994 Community Development Program which had a total estimated budget of \$25,539,971. As part of that budget, which also included carryover funds and program income, MOCD estimated that it would receive \$22,041,000 from the U.S. Department of Housing and Urban Development (HUD).

In February, 1994, when HUD announced the annual grant awards, San Francisco was notified that it would actually receive CDBG program funds in the amount of \$24,166,000, or \$2,125,000 more than the \$22,041,000 estimated amount. The increased allocation was due to Congress' approving a higher amount for the entire CDBG Program and San Francisco's receiving a proportionate increase. The proposed resolution would authorize the City, through MOCD, to receive and expend these funds.

In addition, the proposed resolution would appropriate \$130,000 of contingency funds. However, MOCD has advised that this amount of contingency funds is incorrect and that only \$800 of contingency funds needs to be appropriated. This \$800 of contingency funds, plus the \$2,125,000 of additional CDBG entitlement funds, will finance the \$2,125,800 of projects that comprise Addendum 1, as shown below. According to Mr. Bernhard Gunther of the MOCD, there is currently a \$79,302 balance in the CDBG contingency funds.

Budget:	Housing Program Pools	\$250,000
	• Increasing the existing Site Acquisition Program Pool that is used to acquire housing sites for low-income persons (\$200,000), plus provision of lead hazard remediation procedures for the City's proposed Lead Paint Hazard Reduction pilot program, anticipated to begin in the summer of 1994 (\$50,000).	
	Public Space Improvement Program Pool	\$200,000
	• Adding four sites: (1) Connecticut Garden, (2) Hope House, (3) McLaren Children Center, and (4) Ping Yuen Playyard, for improvements such as access ramps, decking, benches and landscaping.	
	Existing Facilities Rehabilitation	300,000
	• Adding six sites: (1) YMCA Central Branch, (2) Ella Hill Hutch Community Center, (3) Hunters Point Youth Park Foundation, (4) William Shorey Childcare Center, (5) Hunters Point East Childcare, and (6) Hunters Point West Childcare, for improvements, including bathrooms, roof repairs and door repairs.	
	Program Pools for Special Needs	700,000
	• Increasing the Disability Access Program Pool that is used to survey and provide access improvements to CDBG-funded project sites (\$600,000), and increasing the Homeless Program Pool to provide seismic upgrading at the multi-purpose shelter for families and women located at 930 Gough Street (\$100,000).	
	Planning and Capacity Building	125,000
	• Increasing the Technical Assistance and Capacity Building for Nonprofits Pool that is used to provide workshops and consultation services to nonprofit agencies as a means to strengthen their capacity to serve low-income neighborhoods.	
	Economic Development	30,000
	• Increasing one staff position from part-time to full-time at ASIAN, Inc. in order to provide additional information to small minority businesses regarding government procurement opportunities.	

BOARD OF SUPERVISORS
BUDGET ANALYST

One-Month Program Extensions

\$520,800

- HUD has asked that MOCD move back its CDBG program start dates by as much as possible to accommodate HUD's new plan to consolidate the application process for four of its programs, including the CDBG program.

Currently, most of the MOCD's programs begin January 1, although some of the newer programs begin February 1. Consequently, MOCD is requesting that \$520,800 of the additional CDBG entitlement be used to extend by one-month those programs that would normally end on December 31, 1994 until January 31, 1995. In this way, all of MOCD's programs would have fiscal years beginning February 1, thereby bringing MOCD into closer compliance with HUD's preferences.

The following five programs would be extended by one month such that their 1995 program years would begin February 1, 1995:

• Self Employment and Enterprise Development (SEED)	\$ 31,050
• Economic Development	11,667
• Fair Housing/Technical Services	6,833
• Public Services	235,053
• Program Administration (which includes indirect costs in the amount of \$32,500)	<u>236,197</u>
	<u>\$520,800</u>

Total Additional Entitlement

\$2,125,800

Comments:

1. As noted above, the proposed resolution incorrectly states that \$130,000, instead of \$800, of contingency funds needs to be transferred. Consequently, the amount shown on line 4 of page 1 of the proposed resolution should be changed from \$130,000 to \$800.

2. The Board of Supervisors previously approved a total budget for 1994 CDBG program funds of \$25,539,971 per Resolution No. 965-93. Mr. Gunther advises that for purposes of clarification and to correct the amount shown for the 1994 CDBG program budget, the paragraph beginning on line 13 of page 1 and ending on line 17 of page 1, should be modified to read as follows: "WHEREAS, the Board of Supervisors has approved the programs entitled 1994 Community Development Program, and the 1994 Community Development Program Expenditure Schedules for an anticipated entitlement, and reprogrammed funds from prior year Community Development Programs as needed, and program income, up to \$25,539,971, instead of \$25,078,244 . . ."

3. Mr. Gunther advises that for purposes of clarity, the paragraph beginning on line 7 of page 2 and ending on line 12 of page 2, should be modified to read as follows: "RESOLVED, that the Board of Supervisors does hereby approve Addendum 1 to the 1994 Community Development Program, and authorizes the Mayor to enter into and execute contract agreements between the City and County of San Francisco and agencies and departments identified in Addendum 1 to the Expenditure Schedule of the, instead of the amended, 1994 Community Development Program which include moving the start of the 1995 Community Development Program to February 1, 1995."

4. Mr. Gunther also advises that, in order for the Board to actually authorize the receipt and expenditure of the additional entitlement and the transfer of contingency funds, the following paragraph should be added to the body of the legislation: "FURTHER RESOLVED, that the Mayor is authorized to receive and expend the additional \$2,125,000 in 1994 CDBG programs funds, and to transfer and expend reprogrammed funds from prior year Community Development Programs, up to \$800."

5. Additionally, Mr. Gunther reports that indirect costs in the amount of \$110,000 were set aside when the original 1994 CDBG program budget was approved. As noted above, an additional \$32,500 is included for indirect costs in Program Administration in the proposed Addendum 1 to the 1994 CDBG budget, bringing the total for indirect costs to \$142,500.

6. According to Mr. Gunther, as stated in the proposed resolution, no environmental evaluation is required at this time for the additional programs.

BOARD OF SUPERVISORS
BUDGET ANALYST

7. As noted above, the proposed legislation would authorize the MOCD to receive and deposit any funds in excess of the \$24,166,000 in the 1994 CDBG contingencies budget. However, allocation or expenditure of these funds would require future separate approval by the Board of Supervisors.

- Recommendations:**
1. Amend the proposed resolution as referenced in Comments Nos. 1 through 4 above.
 2. Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Items 16 and 17 - Files 101-93-86 and 102-93-26

Department: Hetch Hetchy

Items: Supplemental appropriation ordinance for permanent salaries, mandatory fringe benefits, materials and supplies, equipment, and a capital improvement project (File 101-93-86).

Ordinance amending the FY 1993-94 Annual Salary Ordinance to establish two new Water Quality positions (File 102-93-26).

Amount: \$194,343

Source of Funds: Hetch Hetchy Operating Fund, Unappropriated Fund Balance

Description: The proposed supplemental appropriation ordinance (File 101-93-86) would fund two new positions, materials and supplies, equipment, and a capital improvement project to establish a water quality laboratory at Hetch Hetchy's Moccasin Facility.

The City requested and received from the Federal Environmental Protection Agency (EPA) through the State Department of Health Services a waiver of the water filtration requirement under the Surface Water Treatment Rule (see Attachment). The subject waiver granted by the EPA can be revoked at any time should the State Office of Drinking Water and Environmental Management (ODWEM) determine that the City no longer meets the criteria for avoidance of filtration established in the Surface Water Treatment Rule. As reported by the Capital Improvement Advisory Committee (CIAC), this waiver will result in the City not having to construct a major filtration plant, a project that has been estimated to cost \$325 million to \$500 million. The State Department of Health Services waiver is contingent upon the City implementing improved water quality monitoring methods, as follows:

- Collect and analyze at least five daily bacteriological samples per week at Moccasin Reservoir Outlet, where the Hetch Hetchy aqueduct begins, and at Tesla Portal, where the aqueduct enters the Coast Range Tunnel. Report monthly to ODWEM.
- Monitor turbidity at Moccasin Outlet and Tesla Portal at least every four hours. Report monthly to ODWEM.

BOARD OF SUPERVISORS
BUDGET ANALYST

- Monitor chlorine residual levels every four hours at Alameda East, Polhemus and Baden stations through June, 1994. Report monthly to ODWEM.
- Develop a comprehensive watershed monitoring program to establish a database capable of tracking potential long term changes in water quality.
- Prepare a technical report describing how trihalomethanes are generated from alternative sources and not as a result of non-filtration, and examine how system operations contribute to the problem. Trihalomethanes, often called THMs, are chemicals that are believed to be carcinogenic.
- Conduct annual sanitary surveys of the Hetch Hetchy water supply collection, transmission and treatment systems, and summarize such surveys in a written report.

Hetch Hetchy is requesting the following resources, including two new positions, to establish the water quality laboratory at Moccasin Facility. With the exception of the two proposed new positions, the resources would be for the period from approximately April 15, 1994, to June 30, 1994.

<u>Expense Item</u>	<u>No. of Positions</u>	<u>FY 1993-94 Pay Periods*</u>	<u>Amount Requested</u>
Water Quality Chemist	1	8.9	\$16,260
Associate Sanitary Engineer	1	8.9	18,548
Mandatory Fringe Benefits	---	8.9	<u>6,535</u>
Total Personnel & Fringe	2		\$41,343
Materials & Supplies			25,000
Laboratory and Communications Equipment			53,000
Moccasin Water Quality Laboratory			<u>75,000</u>
Total			\$194,343

* Calculation based on 8.9 pay periods, assuming a start date of February 3, 1994. Actual personnel costs now needed would cover approximately 4.4 pay periods. See Comment No. 4 for adjustment in personnel and mandatory fringe benefits costs.

The proposed ordinance (File 102-93-26) would amend the FY 1993-94 Annual Salary Ordinance (ASO) to establish two new

BOARD OF SUPERVISORS
BUDGET ANALYST

water quality positions in the classifications and in the amounts shown below.

<u>Classification/Title</u>	<u>No. of Positions</u>	<u>Bimonthly Salary</u>	<u>Maximum Salaries At Top Step</u>
2471 Water Quality Chemist	1	\$1,658/ 2,014	\$52,565
5247 Associate Sanitary Engineer	1	1,890/ 2,297	<u>59,952</u>
Total			\$112,517

The responsibilities of the 2471 Water Quality Chemist and the 5247 Associate Sanitary Engineer are listed below. These are additional monitoring duties that are required for continued operation under the waiver of the water filtration requirement and are not currently performed by existing personnel.

- Set up and operate a satellite water quality laboratory at Moccasin;
- Establish a seven day per week operation to monitor raw water for filtration avoidance requirements and, as-needed, finish water domestic systems monitoring to supplement work done by the Millbrae laboratory;
- Conduct routine and as-needed inspections of Tuolumne Meadows and other watersheds for sanitary survey requirements and general water quality surveillance;
- Assist the Water Quality Division in parasite collection and monitoring of lakes and streams;
- Add five day per week bacteriological monitoring of Cherry and Eleanor watersheds as part of the filtration avoidance process.

Comments:

1. Mr. Greg Tom of the San Francisco Water Department (SFWD) advises that the waiver granted by the EPA through the State Office of Drinking Water and Environmental Management (ODWEM) can be revoked at any time, should the State ODWEM determine that the City no longer meets the criteria for avoidance of filtration established in the Surface Water Treatment Rule. However, Mr. Tom states that SFWD staff believe that, even if the City has to install a

filtration system in the future, at an estimated cost of \$325 million to \$500 million, it is worth the investment of staff and equipment to delay that occurrence as long as possible, for two reasons: (1) Both the Federal EPA and the State ODWEM are considering the provision of financial assistance at some future time to help water districts install filtration facilities. If the City started construction of such a facility now, no such assistance would be available; and (2) Technological advances in filtration technology and methods of water treatment in the next few years may reduce the cost and/or improve the quality of filtration facilities. For these reasons, Mr. Tom states that it is in the City's best interest to comply with the filtration avoidance requirements at this time. In addition, the SFWD's Water Filtration Avoidance Project staff are currently performing detailed studies to determine specific operating parameters of the current system, and the lowest cost alternatives for filtration.

2. The requested \$75,000 for the Water Quality Laboratory at Hetch Hetchy's Moccasin Facility would consist of a 24 foot by 50 foot modular trailer equipped to operate a water quality laboratory.

3. Listed below are the items of Laboratory and Communications equipment requested by the Department:

Fume hood	\$5,000
Lab cabinets	5,000
Filtration racks	1,000
Refrigerators (2)	1,000
Autoclave	4,000
Incubator	2,000
Water bath	1,500
Microscope	5,000
p.H. meters (2)	2,500
Conductivity meter	1,500
Turbidimeters (2)	3,000
Heterotrophic Plate Count Colony Counter	1,000
Glassware	2,500
Analytical balance	2,500
Reagents/media	5,000
Misc. (magnetic stirrer, safety equipment, chlorine residual kits, plankton net, carts, etc.)	4,000
Furniture	3,000
Computer (1)	<u>3,500</u>
Total	\$53,000

4. The CIAC recommends approval of the proposed capital improvement project.

5. Salary and mandatory fringe benefits for the two new positions requested in this supplemental appropriation were calculated on the basis of a February 3, 1994, start date. Mr. Carlos Jacobo of PUC Finance agrees that a realistic start date for these requested positions would be May 2, 1994. Based on a start date of May 2, 1994, salary and mandatory fringe benefits would be as follows:

<u>Position</u>	<u>No. of Positions</u>	<u>FY 1993-94 Pay Periods</u>	<u>Amount Needed for Balance of FY 1993-94</u>
2471 Water Quality Chemist	1	4.4	\$8,039
5247 Associate Sanitary Engineer	1	4.4	9,170
Mandatory Fringe Benefits		4.4	<u>3,155</u>
Total Salary and Mandatory Fringe Benefits			\$20,364

Therefore, if this proposed legislation is approved, the funding for the two positions and related mandatory fringe benefits should be reduced by \$20,979, from \$41,343 to \$20,364, in order to reflect the shorter time span of 4.4 pay periods (versus 8.9) that are needed. The reduction of \$20,979 would include a reduction of \$17,599 in salaries and of \$3,380 in fringe benefits.

6. According to Mr. Jacobo, Hetch Hetchy expects to utilize only half of the originally proposed \$25,000 for Materials and Supplies because of the short time remaining in this fiscal year. Thus, the \$25,000 request for Materials and Supplies should be reduced by 50 percent to \$12,500, a savings of \$12,500.

7. The proposed supplemental appropriation of \$194,343 should therefore be reduced by a total sum of \$33,479 (\$20,979 for salaries and mandatory fringe benefits plus \$12,500 for Materials and Supplies) to \$160,864.

Recommendation: 1. Reduce the proposed supplemental appropriation ordinance (File 101-93-86) by \$33,479, from \$194,343 to \$160,864, based on establishing two new positions for 4.4 pay periods instead of 8.9 pay periods (as detailed in Comment No. 5 above) and on the reduced amount of time remaining in the fiscal year for the use of Materials and Supplies.

2. Approve the proposed supplemental appropriation as amended (File 101-93-86).

Memo to Budget Committee
March 23, 1994

3. Approve the proposed amendment to the Annual Salary Ordinance (File 102-93-26).



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION IX

75 Hawthorne Street
San Francisco, Ca. 94105-3901

OCT 29 1993

NOV - 2

Dr. Harvey S. Collins, Chief
Division of Drinking Water
and Environmental Management
California Department of Health Services
P.O. Box 942732
Sacramento, CA 94234-7320

Dear Dr. Collins:

This letter is to inform you that the Environmental Protection Agency (EPA) has determined that the City of San Francisco's Hetch Hetchy drinking water supply meets federal requirements for filtration avoidance.

We have reviewed San Francisco's application for filtration avoidance and the State's conclusions and specific recommendations regarding long-term compliance with federal requirements, and have determined that the San Francisco Hetch Hetchy water supply meets federal criteria for watershed protection, disinfection treatment, bacteriological quality and operational standards (40 CFR § 141.71), and that it therefore does not require filtration treatment. The effective date of this determination and approval of San Francisco's application is September 16, 1993.

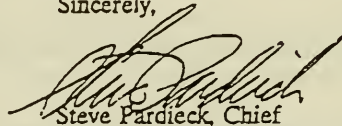
In accordance with Safe Drinking Water Act (SDWA) Section 1412(b)(7)(C)(ii) and EPA Headquarters guidance for public notification of filtration determinations, a notice of EPA's proposed decision to approve San Francisco's application was published on August 16, 1993, in the two major local newspapers serving San Francisco Water District customers within the four county service area. This notice provided for a minimum 30-day public comment period and the opportunity for a public hearing on our determination. The required 30-day public comment period passed with no comments or requests for a public hearing on this matter.

Please be reminded that until California adopts the federal criteria for filtration avoidance, EPA must evaluate San Francisco's compliance on a monthly basis, and to accomplish this San Francisco must comply with federal reporting and recordkeeping requirements as specified in 40 CFR § 141.75. Also, San Francisco's Hetch Hetchy water system must be subject to an annual on-site inspection to assess the watershed control program and disinfection treatment process.

The Division of Drinking Water is to be acknowledged for its diligent efforts in inspecting and evaluating San Francisco's Hetch Hetchy system. We look forward to our continued work with you and your staff in the implementation of an effective and comprehensive State drinking water program.

Should you have any questions or comments regarding this matter, please contact me or William Thurston, Chief, Public Water Supply Section, at (415) 744-1851.

Sincerely,

A handwritten signature in dark ink, appearing to read "Steve Pardieck", is written over the typed name.

Steve Pardieck, Chief
Drinking Water and Ground
Water Protection Branch

cc: Mr. Dave Spath, Ph.D., DDW - Sacramento
Mr. Richard McMillan, DDW - North Coast Region
Mr. Robert Hultquist, DDW - Berkeley
Mr. Cliff Bowen, DDW - San Francisco District
Mr. Anson Moran, San Francisco PUC
Mr. Steve Leonard, San Francisco Water Department

Items 18 and 19 - Files 101-93-87 and 102-93-27

Department: Water Department (SFWD)

Items: Supplemental appropriation ordinance appropriating \$1,499,496 for Water Quality Monitoring and Improvement Projects, including permanent salaries, mandatory fringe benefits, non-personal services, equipment purchase and capital improvement projects; and rescinding an equivalent amount from an environmental mitigation revenue transfer to Hetch Hetchy (File 101-93-87).

Ordinance amending the FY 1993-94 Annual Salary Ordinance to establish seven new positions in the SFWD (File 102-93-27).

Amount: \$1,499,496

Source of Funds: Rescission of SFWD environmental mitigation fee transfer to Hetch Hetchy Operating Fund.

Description: The proposed supplemental appropriation ordinance (File 101-93-87) would fund Water Quality Monitoring and Improvement Projects, including permanent salaries, mandatory fringe benefits, non-personal services, equipment purchase and capital improvement projects.

In October, 1993 the City received a waiver of the filtration requirement under the Surface Water Treatment Rule from the Federal Environmental Protection Agency (EPA). In recommending the waiver to the EPA, the California Department of Health Services, Office of Drinking Water and Environmental Management (ODWEM) stipulated various measures that the SFWD must take in order to retain the waiver. As reported in the Capital Improvement Advisory Committee (CIAC) letter recommending approval of the proposed capital improvement project, as long as the waiver remains in effect, the City will not have to construct a major filtration plant, at an estimated cost of \$325 million to \$500 million.

The State ODWEM required the SFWD to institute the following measures as a condition of continuing to receive the filtration waiver:

- Collect and analyze at least five daily bacteriological samples per week at Moccasin Reservoir Outlet, where the Hetch Hetchy aqueduct begins, and at Tesla Portal, where the aqueduct enters the Coast Range Tunnel. Report monthly to ODWEM.

BOARD OF SUPERVISORS
BUDGET ANALYST

- Monitor turbidity at Moccasin Outlet and Tesla Portal at least every four hours. Report monthly to ODWEM.
- Monitor chlorine residual levels every four hours at Alameda East, Polhemus and Baden stations through June, 1994. Report monthly to ODWEM.
- Develop a comprehensive watershed monitoring program to establish a data base capable of tracking potential long term changes in water quality.
- Prepare a technical report describing how trihalomethanes are generated from alternative sources and not as a result of non-filtration, and examine how system operations contribute to the problem. Trihalomethanes, often called THMs, are chemicals that are believed to be carcinogenic.
- Conduct annual sanitary surveys of the Hetch Hetchy water supply collection, transmission and treatment systems, and summarize such surveys in a written report.

The SFWD is requesting the following resources, including seven new positions, to comply with the ODWEM requirements:

<u>Expense Item</u>	<u>No. of Positions</u>	<u>FY 1993-94 Pay Periods*</u>	<u>Amount Requested</u>
7334 Stationary Engineer	4	8.9	\$61,944
2462 Microbiologist	1	8.9	16,492
2471 Water Quality Chemist	1	8.9	16,260
5224 Assoc. Water Pur. Engineer	1	8.9	18,548
Mandatory Fringe Benefits		8.9	<u>19,352</u>
Total Personnel & Fringe	7		\$132,596
Overtime			50,000
Non-Personal Services			75,000
DP/WP Equipment			3,900
Technical Equipment (Meters)			288,000
Sodium Hypochlorite Station Upgrades			600,000
Polhemus Emergency Disinfection Station			250,000
Install Communications Equipment			<u>100,000</u>
Total			\$1,499,496

*Calculation based on 8.9 pay periods assumed a start date of February 3, 1994. Actual personnel costs now needed would cover approximately 4.4 pay periods. See Comment No. 4 for adjustment in personnel and mandatory fringe benefit costs.

Personnel

The four new Stationary Engineers would be employed by the SFWD's Water Supply and Treatment Division to provide additional staffing at the Sunol and Harry Tracy (San Andreas) water treatment plants, to ensure that the City does not violate water quality regulations. Ms. Cheryl Davis of the SFWD advises that there are currently times when only one person is operating a treatment plant. Ms. Davis states that, even in the absence of waiver requirements, the water supply could be endangered if there is no backup for a person who might become incapacitated. Ms. Davis further states that the EPA waiver requirements present a major increase in the workload at the water treatment plants, because in addition to attending to water treatment, the Stationary Engineers will have to attend to new monitoring information that will come in from outlying areas, and potentially require immediate response.

The other three new positions of Microbiologist, Water Quality Chemist and Associate Water Purification Engineer would be employed by SFWD's Water Quality Division. These positions would be used to implement new information collection and testing requirements of the waiver.

The following is our analysis of the \$50,000 requested Overtime deficiency, based on projections provided by Mr. Bill Laws of the SFWD:

Total FY 1993-94 Budgeted Overtime	\$906,000
Amount Expended as of Feb. 28, 1994	\$716,000
Projected Overtime Expenditures from March 1, 1994 through June 30, 1994	<u>412,720</u>
Total Projected Overtime Expenditures in FY 1993-94	<u>1,128,720</u>
Projected Amount of Budget Deficiency	\$222,720
This Request	<u>50,000</u>
Remaining Budget Deficiency	\$172,720

Mr. Laws states that the SFWD plans to reallocate funds from excess Salary Savings to cover the remaining \$172,720 in Overtime expenditures in FY 1993-94.

Non-Personal Services and Equipment

The \$75,000 in Non-Personal Services would be used to lease telephone lines to transmit new water quality data from remote monitoring stations to the Harry Tracy (San Andreas) Water Treatment Plant for monitoring and analysis.

The Technical Equipment (\$288,000) would include 21 chlorine meters, six Flouride meters, 8 pH meters, 6 turbidity meters, 2 temperature meters and 16 uninterruptible power supply units, at a total cost of \$288,000. The meters and equipment would be installed at various Water Quality Monitoring Stations to enable staff to document water quality parameters for filtration avoidance. Ms. Davis states that data provided by the meters would help staff to identify water quality problems and take corrective action before water quality standards are violated. An additional \$3,900 in DP/WP Equipment would pay for purchase of three personal computers to be used by the additional staff requested in this supplemental appropriation request. The new equipment would be used to comply with waiver requirements involving monitoring and avoidance of water quality problems.

Capital Improvement Projects

The Sodium Hypochlorite Station Upgrades Project (\$600,000) would upgrade 10 existing sodium hypochlorite stations located within the City of San Francisco. The stations would be upgraded to enable the SFWD to vary the amount of chlorine added to the water as it leaves the station based on both the amount of water flowing from the reservoir and the amount of chlorine residual in the water. Ms. Davis advises that most of the current facilities are only equipped to inject a fixed amount of chlorine into the water.

The Polhemus Emergency Disinfection Station (\$250,000) would provide similar abilities to regulate the amount of chlorine added to water in the South Bay as the Sodium Hypochlorite Station Upgrades, discussed above, would provide in San Francisco. Although the upgrades to the City stations can be done within existing structures, Ms. Davis reports that a new facility will have to be built at the Polhemus station, because the existing facility at the Polhemus station is not large enough to accommodate the additional equipment needed to vary the amount of chlorine added to the water based on the water flow and the chlorine residual level.

The project to Install Communications Equipment (\$100,000) would permit the SFWD to transmit real time water quality data from the Baden Monitoring Station and the Butler Building Monitoring Station to the Harry Tracy Water Treatment Plant. The project would also provide equipment for remote control of the Bailey valve, located at the Pulgas Water Temple, that maintains a constant flow of water to the City and directs excess water to either the Balancing Reservoir or Crystal Springs Reservoir. Ms. Davis advises that the remote control would allow treatment facility staff to regulate the release of low chlorine residual water from the Balancing Reservoir at a rate which will not cause the overall system chlorine residual levels to drop.

The proposed amendment to the FY 1993-94 Annual Salary Ordinance (File 102-93-27) would establish seven new positions in the classifications and in the amounts shown below.

Classification/Title	No. of Positions	Bi-Monthly Salary	Maximum Annual Salary	Max. Salary for All Positions at Top Step
7334 Stationary Eng.	4	\$1,436/ 1,740	\$45,414	\$181,656
2462 Microbiologist	1	1,682/ 2,043	53,322	53,322
2471 Water Quality Chem.	1	1,658/ 2,014	52,565	52,565
5224 Assoc. Water Purification Engineer	1	1,890/ 2,297	59,952	59,952
Total	7			\$347,495

Comments:

1. Mr. Greg Tom of the SFWD advises that the waiver granted by the EPA through the State ODWEM can be revoked at any time, should the ODWEM determine that the City no longer meets the criteria for avoidance of filtration established in the Surface Water Treatment Rule. However, Mr. Tom states that SFWD staff believe that, even if the City has to install a filtration system in the future, at an estimated cost of \$325 million to \$500 million, it is worth the investment of staff and equipment to delay that occurrence as long as possible, for two reasons: (1) Both the Federal EPA and the State ODWEM may, at some future time, provide financing assistance to help water districts install filtration facilities. If the City started construction of such a facility

now, no such assistance would be available; and (2) Technological advances in filtration technology and methods of water treatment in the next few years may reduce the cost and/or improve the quality of filtration facilities. For these reasons, Mr. Tom states that it is in the City's best interest to comply with the filtration avoidance requirements at this time. In addition, the SFWD's Water Filtration Avoidance Project staff are currently performing detailed studies to determine specific operating parameters of the current system, and the lowest cost alternatives for filtration.

2. The Budget Analyst's management audit of the Water Department has involved a review of the filtration avoidance issue, as well as Department-wide staffing levels. Our analysis, which has been confirmed by expert consultants on water treatment plants, indicates that all seven new staff positions requested in the proposed supplemental appropriation are warranted. In conducting the management audit, the Budget Analyst has acquired comparative data for over 100 other water treatment facilities nationwide. These data substantiate our conclusion that the proposed water treatment staffing is justified.

3. Ms. Davis states that the upgrades to the City Sodium Hypochlorite Stations and the construction of an emergency Sodium Hypochlorite Station at Polhemus Road are needed to provide the SFWD with the ability to more tightly control the level of chlorine disinfectant in SFWD water, both to comply with the waiver requirements and to protect the public. Ms. Davis advises that chlorine is used to kill germs. She states that if there is not enough chlorine in the water, bacteria develops. She further states that if there is too much chlorine in the water, there is an increased risk that trihalomethanes, which are probable carcinogens, will be produced in the water.

4. Funding for the proposed supplemental appropriation would be obtained from rescission of an equivalent amount from a budgeted SFWD revenue transfer to Hetch Hetchy that was anticipated to be required for environmental mitigation fees related to salinity in the Bay/Delta. Mr. Tom advises that the State Water Quality Control Board has not assessed the currently anticipated fees, but is expected to do so during FY 1994-95. Mr. Tom states that the SFWD will include the anticipated cost of the environmental mitigation fees in its proposed FY 1994-95 capital improvement budget.

5. Salary and mandatory fringe benefits for the seven new positions requested in this supplemental appropriation were calculated on the basis of a February 3, 1994 start date. Ms. Davis states that the earliest realistic start date for these requested positions would be May 2, 1994. Based on a start date of May 2, 1994, salary and mandatory fringe benefits which are needed for the balance of the fiscal year (May 2, 1994 to June 30, 1994), consisting of 4.4 pay periods, is as follows:

<u>Position</u>	<u>No. of Positions</u>	<u>Amount Needed</u>	
		<u>FY 1993-94 Pay Periods</u>	<u>for Balance of FY 1993-94</u>
7334 Stationary Engineer	4	4.4	\$30,624
2462 Microbiologist	1	4.4	8,153
2471 Water Quality Chemist	1	4.4	8,039
5224 Assoc. Water Pur. Engineer	1	4.4	9,170
Mandatory Fringe Benefits		4.4	<u>10,472</u>
Total Salary and Mandatory Fringe Benefits			\$66,458


The total amount of the proposed supplemental appropriation ordinance should be reduced by \$66,138, from \$1,499,496 to \$1,433,358, in order to reflect a reduction of salary (\$57,258) and mandatory fringe benefits (\$8,880) from a total of \$132,596 to \$66,458.

6. Items 16 and 17, Files 101-93-86 and 102-93-26 of this report pertain to another component of filtration avoidance that is to be implemented by Hetch Hetchy, at a cost of \$194,343.

Recommendations: 1. Reduce the proposed supplemental appropriation ordinance (File 101-93-87) by \$66,138 from \$1,499,496 to \$1,433,358, based on hiring the 7 proposed new positions for 4.4 pay periods instead of 8.9 pay periods, as detailed in Comment No. 5 above.

Memo to Budget Committee
March 23, 1994

2. Approve the proposed supplemental appropriation as amended (File 101-93-87).
3. Approve the proposed amendment to the Annual Salary Ordinance (File 102-93-27).



Harvey M. Rose

cc: Supervisor Hsieh
President Alioto
Supervisor Bierman
Supervisor Conroy
Supervisor Hallinan
Supervisor Kaufman
Supervisor Kennedy
Supervisor Leal
Supervisor Maher
Supervisor Migden
Supervisor Shelley
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Robert Oakes
Ted Lakey

SF
590.07

/// SPECIAL CALENDAR ... ACTION TAKEN

// JOINT BUDGET/HEALTH, PUBLIC SAFETY & ENVIRONMENT COMMITTEE

// BOARD OF SUPERVISORS

CITY AND COUNTY OF SAN FRANCISCO

#2

3/23/94

WEDNESDAY, MARCH 23, 1994 - 1:00 P.M.

2ND FLOOR, CITY HALL
LEGISLATIVE CHAMBER

MEMBERS: SUPERVISORS HSIEH, SHELLEY, ALIOTO, HALLINAN, BIERMAN, LEAL

CLERK: MARY L. RED

1. File 108-94-1. [AIDS Funding] Hearing to consider the Department of Public Health AIDS Office's report regarding the decline in the number of AIDS cases in San Francisco and its impact on future State and Federal funding. (Supervisor Alioto)

ACTION: Hearing held. FILED.

DOCUMENTS DEPT.

AUG 27 1996

SAN FRANCISCO
PUBLIC LIBRARY

67
144
CITY AND COUNTY



Public Library, Documents Dept.
ATTN: Jane Judson
OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

DOCUMENTS DEPT.

MAR 23 1994

SAN FRANCISCO
PUBLIC LIBRARY

March 21, 1994

TO: Joint Budget / Health, Public Safety & Environment Committee
FROM: Budget Analyst
SUBJECT: March 23, 1994 Budget/Health, Public Safety & Environment Committee Meeting

Item 1 - File 108-94-1

Department: Department of Public Health (DPH)
AIDS Office
San Francisco Redevelopment Agency

Item: Hearing to consider the Department of Public Health AIDS Office report regarding the decline in the number of AIDS cases in San Francisco and its impact on future State and Federal funding.

Description: A recent study completed by the AIDS Office of the San Francisco Department of Public Health (DPH) showed that, after a 13 year increase, the number of new AIDS cases in San Francisco declined by 1,819 (54.7 percent) from a peak of 3,326 newly diagnosed cases in 1992 to 1,507 new cases in 1993. The AIDS Office has projected that the number of new AIDS cases will continue to decline by an average of 5.5 percent annually over the next four years. The following table is a summary of the AIDS Office study's results:

Memo to Joint Budget/Health, Public Safety & Environment Committee
 March 23, 1994 Budget/Health, Public Safety & Environment Committee Meeting

<u>Year</u>	<u>New AIDS Cases</u>	<u>People Living With AIDS</u>	<u>Cumulative Number of AIDS Cases</u>
1980	2	2	2
1981	9	11	11
1982	51	43	62
1983	155	145	217
1984	401	398	618
1985	854	904	1,472
1986	1,509	1,771	2,981
1987	2,019	2,849	5,000
1988	2,412	4,068	7,412
1989	2,834	5,440	10,246
1990	3,104	6,806	13,350
1991	3,256	8,040	16,606
1992	3,326	9,109	19,932
1993	1,507	8,338	21,439
1994	1,441	7,752	22,880
1995	1,365	7,271	24,245
1996	1,284	6,849	25,529
1997	1,204	6,460	26,733

The AIDS Office is the primary clearinghouse for grants offered for AIDS treatment, services, prevention, and research by both the Federal and State governments. After applying for and receiving grants, the AIDS Office distributes the grant funds to other departmental non-AIDS Office divisions and community-based organizations under contract. In addition, various divisions of DPH and the San Francisco Redevelopment Agency (SFRA) receive grants directly from the Federal and State governments. The SFRA expends its grant funds to provide housing assistance and related services to low income individuals with AIDS and their families.

In FY 1993-94, the AIDS Office expects to receive a total of approximately \$49 million, the non-AIDS Office divisions of the DPH expect to receive approximately \$7.1 million, and the SFRA anticipates receiving approximately \$5.6 million in grant awards from both Federal and State sources, for a total of \$61.7 million in FY 1993-94. As of March 21, 1994, all of the expected \$61.7 million in grant funds has been received.

There are two types of grants awarded by the Federal and State governments: competitive and formula-based grants. Competitive grants, which comprise the majority of grants awarded, are awarded on the basis of the quality of the applicant's proposal, the ability to meet certain criteria specified by the grantor, and the area that the grantor wishes to emphasize (e.g. AIDS research, prevention, treatment, etc.).

BOARD OF SUPERVISORS
BUDGET ANALYST

All of DPH's grants are competitive grants, and all of the AIDS Office's grants, with the exception of the CARE Title 1 Formula Grant (See table below), are competitive grants.

Formula-based grants are based solely on demographics such as the cumulative number of AIDS cases, the number of new cases of AIDS, and/or the mortality rate in a particular jurisdiction. The AIDS Office receives one formula-based grant, the CARE Title 1 Formula Grant, from the Federal government. The SFRA receives the Housing Opportunities for Persons With AIDS (HOPWA) Grant, a formula-based grant from the Federal Department of Housing and Urban Development (HUD).

The following tables illustrate the amount and types of grants that the AIDS Office, other divisions of the DPH, and the SFRA are anticipating to receive in FY 1993-94:

I. AIDS Office

<u>Funder</u>	<u>Grant Name</u>	<u>Term</u>	<u>Purpose</u>	<u>Type of Grant</u>	<u>Amount of Grant</u>
State DHS ¹	HIV Testing	7/1/93 to 6/30/94	Health Services	Competitive	\$763,980
State DHS	Early Intervention	7/1/93 to 6/30/94	Health Services	Competitive	286,595
State DHS	State Block Grant	7/1/93 to 6/30/94	Infrastructure & Admin.	Competitive	374,200
State DHS	Education & Prevention	7/1/93 to 6/30/94	Prevention	Competitive	711,000
State DHS	Residential AIDS Shelter	7/1/93 to 6/30/94	Health Services	Competitive	86,778
State DHS	AIDS Drug Program	7/1/93 to 6/30/94	Health Services	Competitive	150,000
		10/1/92 to 3/31/94			3,340,000
Federal CDC ²	Research Grant	11/1/93 to 10/31/94	Research	Competitive	1,052,572
Federal CDC	AIDS Prevention Planning	1/1/94 to 12/31/94	Prevention	Competitive	5,534,049
		1/1/94 to 12/31/94	Planning		350,000
Federal CDC	AIDS Surveillance	1/1/94 to 12/31/94	Research	Competitive	1,909,328
Federal CDC	AESOP (Youth SCOPE)	9/30/93 to 9/29/94	Prevention	Competitive	477,323

¹ State Department of Health Services (Office of AIDS)

² Center for Disease Control

Memo to Joint Budget/Health, Public Safety & Environment Committee
 March 23, 1994 Budget/Health, Public Safety & Environment Committee Meeting

Federal HRSA ³	CARE Title I Formula-03	2/1/93 to 1/31/94	Health Services	Formula- based	\$11,452,925
Federal HRSA	CARE Title I Formula-04	2/1/94 to 1/31/95	Health Services	Formula- based	19,056,960
Federal HRSA	CARE Title I Supp.-03	4/4/93 to 4/3/94	Health Services	Competitive	15,754,151
Federal HRSA	CARE Title I Supp.-04	4/4/94 to 4/3/95	Health Services	Competitive	20,153,440
Federal HRSA via State	CARE Title II	7/1/93 to 6/30/94	Health Services	Competitive	746,299
Federal HRSA via CDC	CARE Title III	5/1/93 to (date ext.)	Health Services	Competitive	<u>246,109</u>
Total					\$82,445,709⁴

II. DPH's non-AIDS Office Divisions

<u>Funder</u>	<u>Grant Purpose</u>	<u>Type of Grant</u>	<u>Estimated Amount FY 1993-94</u>
State Dept. of Alcohol & Drugs Program	Substance Abuse Services to People with HIV/AIDS	Competitive	\$100,000
State Dept. of Mental Health	AIDS Mental Health Residential & Adult Day Services	Competitive	164,000
Federal CDC	Phreda "A": Women & Infant HIV (Research & Education)	Competitive	623,952
Federal CDC	Phreda "B": Women HIV (Prevention)	Competitive	729,263
Federal HRSA	Early Intervention (Health Services)	Competitive	69,004
Federal HRSA	AIDS Services for Homeless	Competitive	26,231
Federal CDC	TB/HIV Prevention	Competitive	4,703,657
Federal CDC	HIV Counseling	Competitive	<u>668,900</u>
Total			\$7,085,007

³ Health Services & Resources Administration

⁴ The AIDS Office expects that it will receive \$82,445,709 in grant funding, as reflected above, over the period October 1, 1992, to April 3, 1995, spanning three fiscal years (FY 1992-93 to FY 1994-95). The AIDS Office estimates that it will receive approximately \$49 million of this grant funding in FY 1993-94 alone.

III. San Francisco Redevelopment Agency

<u>Funder</u>	<u>Grant Name</u>	<u>Type of Grant</u>	<u>Estimated Amount FY 1993-94</u>
Federal Dept. of Housing & Urban Development (HUD)	HOPWA (Housing Opportunities for Persons With AIDS)	Formula-based	\$5,600,000

Comments:

1. Dr. Mitchell Katz, Director of the AIDS Office, does not expect any immediate reduction in Federal and State funding for AIDS as a result of the projected decline in the number of new AIDS cases per year in San Francisco. Dr. Katz reports that since the majority of the grants for which the AIDS Office applies are competitive (versus formula-based), the lower number of AIDS cases in the City has less of an effect on the amount of the award than the quality of the City's application for the grant and its ability to meet certain criteria specified by the grantor. Moreover, Dr. Katz reports that a reduced number of new AIDS cases per year in San Francisco does not mean that less funds are needed for AIDS treatment. Rather, Dr. Katz states, that as health costs increase, as new, more expensive AIDS treatments are developed, as AIDS patients continue to live longer, and as the proportion of persons with AIDS who suffer from other problems such as homelessness, poverty, and/or substance abuse increases, the demand for funds will increase. In addition, the AIDS Office may receive increased funding for prevention and education, given the past success in reducing the new incidence of AIDS per year, according to Dr. Katz.

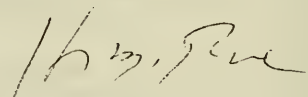
2. According to Dr. Katz, the CARE Title I Formula Grant, a formula-based grant that is used for AIDS-related health services, is based on the cumulative number of AIDS cases. Therefore, Dr. Katz reports that the decline in the number of new AIDS cases in San Francisco will not lead to an immediate reduction in CARE Title I Formula Grant funding. Thus, according to Dr. Katz, a decline in the number of new AIDS cases in San Francisco should not alone reduce the amount of funding from State and Federal sources. The AIDS Office expects to receive a total of \$30,509,885 in CARE Title I Formula grant funding from FY 1992-93 to FY 1994-95.

3. Dr. Katz also reports that a decline in government-sponsored funding for San Francisco can result from numerous factors other than a decline in the incidence of AIDS in San Francisco. For example, if the Federal government reduces its

overall spending on AIDS or if there is an increase in the number of jurisdictions applying for AIDS funding, San Francisco's share of the total funding could decline. Thus, Dr. Katz reports that if there is a future decline in funding for AIDS in San Francisco, such a decline in funds cannot necessarily be attributed to the reduction in the number of new AIDS cases in the City.

4. Ms. Lucille Burlew-Lawler of the DPH's Business Services Unit also does not anticipate any reduction in the level of grant funds received from Federal and State sources for AIDS due to the decline in new AIDS cases in San Francisco for reasons similar to those cited by Dr. Katz.

5. The SFRA expects to receive \$11.6 million for its Housing Opportunities for Persons With AIDS (HOPWA) Program in FY 1994-95 which is \$6 million or 107 percent more than was received in FY 1993-94. However, the FY 1994-95 HOPWA budget must be authorized by the Federal government before the SFRA can be sure that there will be no reduction in HOPWA funding for San Francisco for FY 1994-95. Although the SFRA receives a formula-based grant from the government, Ms. Drickerson Cortez reports that the formula is based on the cumulative number of AIDS cases rather than the number of new AIDS cases in one year. Since San Francisco, despite the recent decline in new AIDS cases, still has the highest incidence of AIDS per capita in the country, it is unlikely that this decline in new AIDS cases will have any significant effect on the amount of grant funds that the SFRA receives from the Federal government, according to Ms. Drickerson Cortez.



Harvey M. Rose

cc: Supervisor Hsieh	Clerk of the Board
Supervisor Shelley	Chief Administrative Officer
President Alioto	Controller
Supervisor Hallinan	Teresa Serata
Supervisor Bierman	Robert Oakes
Supervisor Leal	Ted Lakey
Supervisor Kennedy	
Supervisor Kaufman	
Supervisor Maher	
Supervisor Migden	
Supervisor Shelley	

BOARD OF SUPERVISORS
BUDGET ANALYST

SF
59007
E2
3/30/94

MINUTES

BUDGET COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

DOCUMENTS DEPT.

AUG 27 1996
SAN FRANCISCO
PUBLIC LIBRARY

WEDNESDAY, MARCH 30, 1994 - 1:00 P.M.

ROOM 228, CITY HALL

MEMBERS: SUPERVISORS HSIEH, ALIOTO, BIERMAN,

ACTING CLERK: GREGOIRE HOBSON

TIME MEETING CONVENED: 1:03 P.M.

1. File 253-92-2. [Workers Compensation Task Force] Hearing to consider the action plans of the Workers Compensation Task Force. (Supervisors Hsieh, Conroy, Shelley, Kennedy, Alioto)
(Continued from 3/16/94)

DEPARTMENTAL REPRESENTATIVES: Teresa Serata, Director of Finance, Office of the Mayor; Harvey Rose, Budget Analyst. SPEAKERS: Linda Totwig; St. Francis Hospital

ACTION: Hearing held. Consideration continued to July 13, 1994, meeting.

VOTE: 3-0.

2. File 172-94-2. [Peninsula Corridor Joint Powers Board Agreement] Resolution authorizing execution of an amendment to Joint Powers Agreement between the City and County of San Francisco, the San Mateo County Transit District and the Santa Clara County Transit District to replace an appointment of the City's Public Utilities Commission as a representative of the City on the Joint Powers Board with an appointment of the Airports Commission. (Supervisor Hsieh)
(Continued from 3/16/94)

DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Ted Lakey, Deputy City Attorney.

ACTION: Hearing held. Recommended. (To appear on Board Calendar, Monday, April 11, 1994.

VOTE: 3-0.

3. File 155-94-1. [Reward Payment Authorization] Ordinance authorizing payment of reward to Doe One. (Police Department)

SPEAKERS: IN FAVOR: Shelley Salaeri; OPPOSED: John O'Brien.

ACTION: Hearing held. Recommended. (Supervisors Alioto and Bierman requested to be added as co-sponsors.)

VOTE: 3-0.

4. File 101-93-102. [Appropriation, Asian Art Museum, 13 Positions] Ordinance appropriating and rescinding \$544,169, Asian Art Museum, to transfer funds from non-personal services to salaries and mandatory fringe benefits for the reinstatement of thirteen (13) positions for fiscal year 1993-94; providing for ratification of action previously taken. RO #93249 (Controller) Companion measure to File 102-93-8.

DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Harry Parker, Director, Fine Arts Museums; Rand Castile, Director, Asian Art Museum.

ACTION: Hearing held. Recommended.

VOTE: 3-0.

5. File 102-93-8. [Public Employment] Ordinance amending Annual Salary Ordinance, 1993-94, Asian Art Museum, reflecting the addition of thirteen positions (Classifications 1446 Secretary II, 3518 Assoc. Museum Conservator, 3522 Senior Museum Preparator, 3524 Principal Museum Preparator, 3529 Museum Conservator-Avery Brundage Collection of Asian Art, (4) 3546 Curator IV, 3556 Museum Registrar, 3558 Senior Museum Registrar, 3588 Dep. Director and Chief Curator, and 3633 Librarian II-Asian Arts). (Civil Service Commission) Companion measure to File 101-93-102.

DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Harry Parker, Director, Fine Arts Museums; Rand Castile, Director, Asian Art Museum.

ACTION: Hearing held. Recommended.

VOTE: 3-0.

6. File 101-93-103. [Appropriation, Fine Arts Museum, 46 Positions] Ordinance appropriating and rescinding \$1,770,354, Fine Arts Museum, to transfer funds from temporary salaries, professional and other non-personal services and services of other departments to permanent salaries-miscellaneous and mandatory fringe benefits to reinstate forty-five (45) positions for fiscal year 1993-94; providing for ratification of action previously taken; companion measure to File 102-93-28. RO #93251 (Controller)

DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Harry Parker, Director, Fine Arts Museums; Rand Castile, Director, Asian Art Museum.

ACTION: Hearing held. Recommended.

ACTION: Hearing held. Amended. Recommended. Reduce appropriation by \$5,568. AMENDED TITLE: "Appropriating and rescinding \$1,764,786, Fine Arts Museum, to transfer funds from temporary salaries, professional and other non-personal services and services of other departments to permanent salaries-miscellaneous and mandatory fringe benefits to reinstate forty-five (45) positions for fiscal year 1993-94; providing for ratification of action previously taken."

VOTE: 3-0.

7. File 102-93-28. [Fine Arts Museums, 46 Positions] Ordinance amending Annual Salary Ordinance, 1993-94, Fine Arts Museums, reflecting the addition of forty-six positions (Classifications 2708 Custodian (3), 8202 Security Guard (2), 8226 Museum Guard (33), 8228 Senior Guard (6), 8230 Chief Museum Guard, 7120 Building and Ground Superintendent (1), and the deletion of one position (Classification 7205 Chief Stationary Engineer); companion measure to File 101-93-103. (Department of Human Resources)

DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Harry Parker, Director, Fine Arts Museums; Rand Castile, Director, Asian Art Museum.

ACTION: Hearing held. Recommended.

VOTE: 3-0.

8. File 207-94-7. [Narcotics Forfeiture and Seizure Monies] Hearing to consider the confiscation of money belonging to Mr. Terrance Alan as a result of his arrest for possession of marijuana and to ascertain the disposition of said money. (Supervisor Alioto)

DEPARTMENTAL REPRESENTATIVE: Captain Greg Corrales, SF Police Department; SPEAKERS: IN FAVOR: None; OPPOSED: John F. Wosler, Jr.

ACTION: Hearing held. Tabled.

VOTE: 3-0.

9. File 229-94-1. [Fire Alarm System Connection Charges] Ordinance directing the General Manager of the Department of Electricity to establish a new application procedure for the issuance of permits for connecting auxiliary fire alarm system to the Municipal Fire Alarm System; directing the General Manager to review all submitted applications for connection to the Municipal Fire Alarm System; directing the General Manager to prepare a new form of permit for connecting to the Municipal Fire Alarm System; directing the General Manager to execute and issue permits; directing the General Manager to charge an annual charge of \$180.00 for each connection, as such is allowed under Section 3.510 of the Charter; increasing the current monthly charge of \$2.25 to \$3.75 authorized in Ordinances Nos. 525-88, 408-91, 254-71, 2137-1889 and 510-60 to an annual charge of \$180.00 (\$15.00 per month prorated) for each connection; authorizing the General Manager to take such action necessary or advisable; revoking existing permits contained in Ordinances Nos. 525-88, 408-91, 254-71, 2137-1889 and 510-60 effective 120 days from the passage of this ordinance; and directing the General Manager to notify existing permittee of revocation. (Dept. of Electricity and Telecommunications)
(Continued from 3/23/94)

DEPARTMENTAL REPRESENTATIVES: Harvey Rose, Budget Analyst; Fred Weiner, Deputy Director, Telecommunications Dept.; Ted Lakey, Deputy City Attorney; SPEAKERS: IN FAVOR: Doug Shackley, Pacific Auxiliary; OPPOSED: John Sargent, National Guardian.

ACTION: Hearing held. Amended. Consideration continued to April 6, 1994. Amend to provide for sliding scale based upon the number of fire sensing devices in the building; \$135.00 for 1-20, \$180 for 21-100, over 100 - \$225 per year. **AMENDED TITLE:** "Ordinance directing the General Manager of the Department of Electricity to establish a new application procedure for the issuance of permits for connecting auxiliary fire alarm system to the Municipal Fire Alarm System; directing the General Manager to review all submitted applications for connection to the Municipal Fire Alarm System; directing the General Manager to prepare a new form of permit for connecting to the Municipal Fire Alarm System; directing the General Manager to execute and issue permits; directing the General Manager to charge an annual sliding scale charge (\$135 - \$225 per year) based upon the number of fire sensing devices in the building, as such is allowed under Section 3.510 of the Charter; increasing the current monthly charge of \$2.25 to \$3.75 authorized in Ordinances Nos. 525-88, 408-91, 254-71, 2137-1889 and 510-60 to an annual charge of \$180.00 (\$15.00 per month prorated) for each connection; authorizing the General Manager to take such action necessary or advisable; revoking existing permits contained in Ordinances Nos. 525-88, 408-91, 254-71, 2137-1889 and 510-60 effective 120 days from the passage of this ordinance; and directing the General Manager to notify existing permittee of revocation."

VOTE: 3-0.

TIME MEETING ADJOURNED: 2:22 P.M.

CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

March 28, 1994

TO: Budget Committee
FROM: Budget Analyst
SUBJECT: March 30, 1994 Budget Committee Meeting

Item 1 - File 253-92-2

Note: This item was continued by the Budget Committee at its meeting of March 16, 1994.

Item: Hearing to consider the action plans of the Workers Compensation Task Force

Description: Legislation was enacted in October, 1991 (File 97-91-38) to establish a permanent Workers Compensation Task Force, consisting of the following City officials or their representatives: the Risk Manager, Mayor's Budget Director, Board of Supervisors Budget Analyst, General Manager of the Employees Retirement System (ERS), Director of the Employee Relations Division, General Manager of the Civil Service Commission (whose duties have now been assumed by the Director of Human Resources), and two department heads designated by the Task Force members. At the present time, the two departments having representatives on the Task Force are the Department of Public Health and the Municipal Railway.

Under Section 16.83-3 of the Administrative Code, the purpose of the Task Force is to:

- (1) act in an advisory capacity in all matters pertaining to workers compensation cost containment as required for the guidance of managers, department heads, and City officials;
- (2) make recommendations regarding consolidation of responsibilities to improve efficiency in managing claims;
- (3) assist the Retirement Board to establish and maintain statistical data relating to work-related injuries and illnesses; and,
- (4) submit a semiannual report to the Board of Supervisors concerning the progress of the Task Force in achieving workers compensation cost containment.

The subject hearing concerns the status of the action plans of the Workers Compensation Task Force.

Comments:

1. The Workers Compensation Task Force last reported to the Board of Supervisors concerning its action plans at the March 3, 1993 meeting of the Government Efficiency and Labor Committee. At that time, the immediate priorities of the Workers Compensation Task Force were:

(1) To proceed with implementation of the contract for third party administration of claims. The contract for third party administration was awarded to the Noetics Group, and approximately 50 percent of the City's total workers compensation claims were transferred to the Noetics Group on May 1, 1993. The Budget Analyst's recent management audit of the Workers Compensation Division (WCD) of the Employees Retirement System recommended that the Workers Compensation Task Force work with the Employees Retirement System to extend the contract for third party administration to June 30, 1996.

(2) To expand efforts to determine the essential functions of City job classifications and to implement a return to work program for injured workers. The legislation which created the Task Force requires City departments to implement return to work programs for injured workers. The Return to Work Subcommittee of the Task Force has therefore developed specific guidelines for implementing a City-wide return to work program. Specifically, the Task Force recommended that the Mayor's Office require every City department to implement a light duty program, and designate a light duty coordinator to assist the Workers Compensation Division in placing injured workers in appropriate light duty assignments. The Task Force also recommended that the Workers Compensation

BOARD OF SUPERVISORS
BUDGET ANALYST

Division either designate a single modified duty coordinator, or train claims examiners to place injured workers in light duty assignments. However, the WCD does not have such a return to work coordinator at the present time.

(3) To enhance department record-keeping capabilities concerning work-related injuries and accidents in order to increase departments' accountability for workers compensation costs and to evaluate future cost control efforts. Under Section 16.83-2 of the San Francisco Administrative Code, City departments are required to submit quarterly reports to the Task Force concerning their workers compensation claims. However, compliance with this requirement has been poor, and only seven departments had submitted the required statistical reports to the Task Force as of March, 1993, when the Task Force last reported to the Board of Supervisors. Ms. Teresa Serata reports that, since that time, compliance with the statistical reporting requirements of the Administrative Code has improved, and a large majority of City departments have submitted the required quarterly statistical reports.

2. The most recent meeting of the Workers Compensation Task Force was held on March 21, 1994. The meeting was attended by two Members of the Board of Supervisors, including the Chair of the Budget Committee. At its meeting of March 21, 1994, the Task Force:

- Reviewed the findings and recommendations of the February, 1994 management audit of the Workers Compensation Division of the Employees Retirement System, which was conducted by the Budget Analyst at the request of the Board of Supervisors;
- Received reports from the General Manager of the Employees Retirement System and the Director of Human Resources concerning the transfer of the WCD to the Department of Human Resources. This transfer is now mandated pursuant to an ordinance which was recently approved by the Board of Supervisors and signed by the Mayor (File 221-94-1). The Director of Human Resources has been directed under the terms of the ordinance to designate a date for transferring the WCD to the Department of Human Resources, which can occur no sooner than July 1, 1994.
- Discussed legislative proposals which have recently been initiated by the Board of Supervisors to reform the City's workers compensation program, and created a Legislation

BOARD OF SUPERVISORS
BUDGET ANALYST

Review Subcommittee to review and prioritize these proposals (see Comment 3).

- Discussed the WCD's most recent performance evaluation of the City's third party claims administrator, the Noetics Group. Quarterly performance evaluations of the Noetics Group are required under the terms of the City's contract with the Noetics Group.
 - Discussed the current status of a Request for Proposals (RFP) for the City's contract with a medical treatment facility for injured City workers. Ms. Clare Murphy, General Manager of the Employees Retirement System (ERS), stated that an RFP is expected to be prepared by July 1, 1994. Ms. Murphy also reported that every hospital in San Francisco, except Kaiser Hospital, has contacted the ERS and expressed an interest in bidding for the workers compensation medical services contract when it is opened for competitive bidding.
 - Discussed the impact on the WCD of the workers compensation reforms which were approved by the State Legislature in August, 1993. Ms. Murphy stated that additional workers compensation legislation is expected to be approved by the State Legislature in the future.
 - Identified new tasks and activities for the Workers Compensation Task Force, as discussed below (Comment 3).
3. The Workers Compensation Task Force authorized a total of six subcommittees to continue to evaluate and make recommendations concerning the City's workers compensation program, as required in existing Task Force legislation.

Each subcommittee was assigned a chairperson from the existing Task Force members. The chairperson of each subcommittee has been instructed by the Mayor's Budget Director (who chairs the Task Force) to (1) solicit subcommittee members from Task Force members and from other City departments, and (2) meet by April 29, 1994 to develop goals, objectives, and workplans for each of the subcommittees.

The six subcommittees and their designated tasks and duties are as follows:

BOARD OF SUPERVISORS
BUDGET ANALYST

(1) Strategic Planning

To initiate development of a strategic plan for the City's workers compensation program, including planning for the implementation of recommendations made in the Budget Analyst's recent management audit of the WCD. This subcommittee will be chaired by the Director of Human Resources. The chairpersons of the five other subcommittees will serve on the Strategic Planning subcommittee.

(2) Legislation Review

To evaluate legislative proposals concerning workers compensation reform in the City, in order to assign legislative priorities, ensure consistency among proposals, prevent duplication or overlap, and consolidate proposals as necessary. Members of the Legislation Review subcommittee who were designated at the Task Force meeting include the Mayor, City Attorney, Budget Analyst, Risk Manager, General Manager of the Employees Retirement System, and Supervisor Conroy. A chairperson has not yet been selected for this subcommittee. According to the Mayor's office, the subcommittee will select a chairperson at its first meeting.

(3) Management Information Systems

To continue to facilitate the collection of workers compensation statistical data and to make recommendations for improving data collection systems, in accordance with the current Task Force mandate. In addition, this subcommittee will evaluate the current capacity of management information systems at the WCD, the Department of Human Resources, and the Health Service System, in order to identify potential improvements and opportunities to consolidate management information systems within the Department of Human Resources. The Controller was asked to Chair the Management Information Systems Subcommittee.

However, the Controller has indicated that this subcommittee may be duplicative of other efforts which are already underway to evaluate and improve management information systems in City departments. Therefore, the Mayor's Office has indicated that management information issues may instead be addressed by the Strategic Planning subcommittee, which will be chaired by the Director of Human Resources. This would allow Mr. Pryor to coordinate the Task Force recommendations for WCD management information

BOARD OF SUPERVISORS
BUDGET ANALYST

systems with other current planning activities for management information systems at the Department of Human Resources.

(4) Health and Safety

This existing subcommittee will continue its efforts to evaluate the current status of health and safety programs City-wide and to make recommendations to improve accident prevention and reduce the City's financial exposure for workers compensation claims. In this regard, the Task Force recommended that the Administrative Code be amended to add a representative of employee organizations to the membership of the Workers Compensation Task Force in order (1) to obtain employee perspectives on health and safety issues and, (2) to consider establishing joint labor/management safety committees in City departments which would address specific health and safety issues. This subcommittee will continue to be chaired by the Department of Public Health.

(5) Return to Work

This existing subcommittee will continue its efforts to facilitate the implementation of effective return to work programs among City departments, consistent with the existing Task Force mandate. Mr. Al Walker, the Executive Officer of the Civil Service Commission (previously known as the Assistant General Manager of the Civil Service Commission) was designated as the Chair of the Return to Work subcommittee.

(6) Third Party Administration/Request for Proposals

This existing subcommittee previously assisted the ERS in developing a Request for Proposals for third party claims administration services, which are now provided under contract by the Noetics Group. This subcommittee will assist in evaluating the services of the third party claims administrator, and will also make recommendations concerning proposed contracts for other workers compensation contractual services, including the medical treatment facility. This subcommittee will be chaired by the General Manager of the Employees Retirement System.

4. An Essential Functions subcommittee, which was previously established by the Workers Compensation Task Force, will now become a subcommittee of the Americans with Disabilities (ADA) Task Force, rather than the Workers Compensation Task Force. Under the ADA Task Force, the Essential

BOARD OF SUPERVISORS
BUDGET ANALYST

Functions subcommittee will continue to facilitate the identification of essential functions of City job classifications, in order to accommodate the disability status of City employees.

5. As previously noted, the six current subcommittees of the Workers Compensation Task Force (as identified above in Comment 3) are expected to meet before April 29, 1994 to develop goals, objectives, and work plans. The Workers Compensation Task Force will convene its next quarterly meeting in June, 1994 to review the progress of the individual subcommittees and to make recommendations for further action.

Item 2 - File 172-94-2

Note: This item was continued at the March 16, 1994 Budget Committee meeting.

Item: Resolution authorizing the execution of an amendment to the Joint Powers Agreement between the City and County of San Francisco, the San Mateo County Transit District and the Santa Clara County Transit District to replace an appointment made by the City's Public Utilities Commission (PUC) as a representative of the City on the Joint Powers Board (JPB) with a member appointed by the Airports Commission.

Description: On August 20, 1991 the City entered into a Joint Powers Agreement (JPA) with the San Mateo County Transit District (SamTrans) and the Santa Clara County Transit District regarding the Peninsula Corridor Project. The Peninsula Corridor Project involves the CalTrain route that currently extends from Gilroy to San Francisco. At that time, a Joint Powers Board (JPB) was established as the eventual successor to the California Department of Transportation (Caltrans) to oversee the CalTrain operator, which is currently Amtrak.

The JPB consists of nine members, three of which represent the City and County of San Francisco. One member is an appointment of the Mayor, one is an appointment of the Board of Supervisors and one is an appointment of the PUC.

The proposed resolution would amend the JPA to replace the City's PUC representative with a member appointed by the Airports Commission. According to the proposed resolution, the Airport, through its Master Plan, is working with Peninsula agencies and jurisdictions on the development of intercounty transportation and traffic mitigation systems along the corridor served by CalTrain. Proposition M, which the electorate approved in November of 1993, authorized the creation of a Department of Transportation to which Muni would be transferred from the PUC. Thus, according to the proposed resolution, the City's PUC representative to the JPB should be replaced with a member appointed by the Airports Commission.

Comments: 1. Approximately 40 percent of CalTrain's operating costs are recovered through fares resulting in a 60 percent annual operating deficit. The annual Federal subsidy is subtracted from the 60 percent deficit. The balance, after subtracting the Federal subsidy, is borne by the counties of San Francisco, San Mateo and Santa Clara based on their respective riderships.

San Francisco's share is 10.2 percent, San Mateo's share is 51 percent and Santa Clara's share is 38.8 percent.

In FY 1993-94, San Francisco's share of CalTrain's operating costs was approximately \$2.2 million. According to Ms. Kathleen Kelly of the PUC, for FY 1993-94, the City budgeted \$947,000 from General Fund monies, all of which comes from Muni's budget, as its share of CalTrain's operating costs. Ms. Kelly notes that the City needs to appropriate the remaining \$1,253,000 through a supplemental appropriation to make up the FY 1993-94 shortfall. According to Mr. Rich Casanerio of the JPB, as described in the table below, in FY 1994-95 the City's share of CalTrain's operating costs are estimated to be \$2,672,678 and increase each year thereafter to \$3,248,656 in FY 1998-99. Thus, it is estimated that the City's share of CalTrain's operating costs will increase by \$575,978 over a five year period.

<u>Fiscal Year</u>	<u>City's Estimated Share of CalTrain's Operating Cost</u>
1994-95	\$2,672,678
1995-96	2,806,312
1996-97	2,946,627
1997-98	3,093,958
1998-99	3,248,656

2. According to Ms. Kelly, Muni did not include any funds in its FY 1994-95 budget for the City's share of CalTrain's operating costs, or \$2,672,678 as indicated in the table above. Ms. Kelly advises that Muni did not include these funds in anticipation of PUC's representative to the JPB being replaced with a member appointed by the Airports Commission. The Airport also has not included funds in its FY 1994-95 budget to cover the City's share of CalTrain's operating subsidy. Thus, as of the writing of this report, funds for the City's share of CalTrain's operating subsidy for FY 1994-95, or \$2,672,678, have not been budgeted in any City department's budget.

3. According to a memo written by the Chairperson for the Santa Clara County Transit District and a member of the JPB, CalTrain's operating revenues and subsidies may not be sufficient to cover this year's expected operating expenses. According to Mr. Casanerio of the JPB, if the City does not remit its remaining share of CalTrain's FY 1993-94 operating costs of \$1,253,000, the JPB will not have sufficient funds to pay Amtrak, CalTrain's operator, by late May or early June of 1994.

4. On February 22, 1994, the PUC approved a resolution urging the Mayor to execute on behalf of the City and County of San Francisco an amendment to the JPA governing the Peninsula Corridor Project to replace the City's PUC representative with a member appointed by the Airports Commission. According to the PUC resolution, with the implementation of Proposition M, the JPA must be amended because the PUC will no longer be concerned with transportation matters.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Item 3 - File 155-94-1

Department: Police Department.
Mayor's Criminal Justice Council (MCJC).

Item: Ordinance authorizing payment of reward to Doe One.

Reward Amount: \$10,000

Source of Funds: FY 1993-94 Judgments and Claims Account (General Fund), included in the General City Responsibility budget.

Description: On October 9, 1993, Ms. Maxine Hall was shot and killed in front of the Ella Hill Hutch Center on the 1000 block of McAllister Street.

As part of the investigation into the murder of Ms. Hall, the Police Department requested that the Mayor exercise his authority under Section 10.177.1 of the City's Administrative Code to offer a reward for information leading to the determination of the identity, apprehension and conviction of the persons responsible for the killing. In addition, the Police Department requested that the Mayor set the reward amount at \$10,000.

The Mayor approved the posting of the \$10,000 reward, and subsequent to the reward being posted, an eyewitness to the shooting came forward and provided information which identified a particular juvenile, as the person who shot Ms. Hall. On January 25, 1994, Judge Anne Bouliane sustained the petition against the juvenile, finding him guilty of involuntary manslaughter.

According to Chief of Police Anthony Ribera, it is his opinion, and the opinion of the homicide investigators and the prosecutor, that the initial assistance of the above-mentioned eyewitness, and the testimony of the eyewitness, were critical to a finding of guilty in this case. Consequently, the Mayor is requesting that the Board of Supervisors now approve the proposed resolution which would authorize payment of a \$10,000 reward to the eyewitness to this crime.

Comments: 1. The source of funds for payment of the proposed \$10,000 reward would be the FY 1993-94 Judgments and Claims Account of the General Fund. According to Mr. Matthew Hymel of the Controller's Office, as of March 21, 1994, the balance in the Judgments and Claims Account was \$1,424,163.

Items 4 and 5 - Files 101-93-102 and 102-93-8

Department: Asian Art Museum

Item: File 101-93-102 - Ordinance appropriating and rescinding \$544,169 to transfer funds from Professional Services to Permanent Salaries and Mandatory Fringe Benefits for the reinstatement of 13 positions for FY 1993-94; providing for ratification of action previously taken.

File 102-93-8 - Ordinance amending Annual Salary Ordinance, 1993-1994, reflecting the addition of 13 positions.

Amount: \$544,169

Source of Funds: Reappropriation of funds for Professional Services in the Asian Art Museum's FY 1993-94 budget.

Description: Because the Asian Art Museum is housed within one of the Fine Arts Museums' buildings, all funds for security guards and custodial services for both Museums are allocated in the Fine Arts Museums' budget. In the Mayor's FY 1993-94 budget, the Fine Arts Museums submitted a request to contract out these custodial and security services in order to meet the Fine Arts Museums' budget target for FY 1993-94. Similarly, at the suggestion of the Mayor's Office, the Asian Art Museum also decided to contract out for services normally provided by 13 of its permanent Civil Service employees. The Mayor's Office approved the elimination of 13 positions in the Asian Art Museum's FY 1993-94 budget, with the expectation that the Asian Art Museum would contract out for these at a lower cost than the cost of providing such services on an in-house Civil Service basis.

However, the Board of Supervisors did not approve the Controller's Proposition J certification needed for the contracting out of custodial and security services by the Fine Arts Museums, which would have saved between \$430,075 and \$768,015 for FY 1993-94 over the cost of providing such services in-house on a Civil Service basis. Because of the Board of Supervisors' rejection of the Fine Arts Museums' request to contract out security and custodial services, the Asian Art Museum decided not to go forward with its request to contract out for curator, conservation, preparation, and other support services currently provided by 13 permanent Civil Service employees.

However, the Mayor's FY 1993-94 budget had already deleted these 13 positions. The Asian Art Museum is now proposing to

reinstate the 13 Civil Service positions which had been deleted by the Mayor's Office in the FY 1993-194 budget. These positions were never vacated due to the Asian Art Museum's decision not to submit a Proposition J request after the Board of Supervisors had rejected the Fine Arts Museums' Proposition J request for custodial and security services. Thus, the proposed ordinance would formally recognize positions already in existence rather than creating new positions.

The 13 following positions would be added back to the 1993-94 Annual Salary Ordinance:

<u>Classification</u>	<u>No. of Positions</u>	<u>Biweekly Salary</u>	<u>Annual Salary at Top Step</u>
1446 Secretary II	1	\$1,185-1,436	\$37,480
3518 Associate Museum Conservator, Asian Art	1	1,543-1,871	48,833
3522 Senior Museum Preparator	1	1,152-1,394	36,383
3524 Principal Museum Preparator	1	1,368-1,658	43,274
3529 Museum Conservator - Avery Brundage Collection of Asian Art	1	1,765-2,145	55,985
3546 Curator IV	4	1,890-2,297	59,952
3556 Museum Registrar	1	1,255-1,520	39,672
3558 Senior Museum Registrar	1	1,506-1,827	47,685
3588 Deputy Director & Chief Curator, Asian Art Museum	1	2,507-3,047	79,527
3633 Librarian II-Asian Arts	1	1,698-2,063	53,844
Total	13		

In addition, the Asian Art Museum is proposing to reappropriate \$544,169, originally budgeted for Professional Services, to Permanent Salaries, Premium Pay - Miscellaneous, Temporary Salaries, and Mandatory Fringe Benefits, in order to fund the reinstatement of the aforementioned positions for the period July 1, 1993, through June 30, 1994. The details of this request are as follows:

Rescissions

Professional Services	<u>\$544,169</u>
Total Rescissions	<u>\$544,169</u>

BOARD OF SUPERVISORS
BUDGET ANALYST

Appropriations

Permanent Salaries	\$421,205
Premium Pay - Miscellaneous	3,832
Temporary Salaries	24,151
Mandatory Fringe Benefits	<u>94,981</u>
Total Appropriations	<u>\$544,169</u>

The following analysis summarizes the projected funds needed for FY 1993-94.

<u>Line Item</u>	<u>Permanent Salaries</u>	<u>Premium Pay</u>	<u>Temporary Salaries</u>	<u>Mandatory Fringe Benefits</u>	<u>Total</u>
Amount Budgeted FY 1993-94	<u>\$0</u>	<u>\$0</u>	<u>\$152,892</u>	<u>\$11,696</u>	<u>\$164,588</u>
Amount Expended 7/1/93 to 2/28/94	445,751	2,993	0	82,084	530,828
Projected Expenditure 3/1/94 to 6/30/94	<u>183,528</u>	<u>765</u>	<u>0</u>	<u>33,120</u>	<u>217,413</u>
Total Projected Expenditure	<u>\$629,279</u>	<u>\$3,758</u>	<u>\$0</u>	<u>\$115,204</u>	<u>\$748,241</u>
Total Projected Expenditure Less Amount Budgeted	629,279	3,758	(152,892)	103,508	583,653
Proposed Supplemental Appropriation	<u>421,205</u>	<u>3,832</u>	<u>24,151</u>	<u>94,981</u>	<u>544,169</u>
Total Projected (Deficit)/ Surplus	(\$208,074)	\$74	\$177,043	(\$8,527)	<u>(\$39,484)</u>

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Budget Committee
March 30, 1994

Comment: As noted above, the proposed supplemental appropriation of \$544,169 is \$39,484 less than the estimated deficit of \$583,653 for FY 1993-94. The estimated deficit is primarily a result of a projected shortfall in the Permanent Salaries account.

Recommendation: 1. Approve the proposed ordinance (File No. 101-93-102).

2. Approve the proposed ordinance (File No. 102-93-8) to amend the Annual Salary Ordinance, 1993-94, reflecting the addition of 13 positions.

Items 6 and 7 - Files 101-93-103 and 102-93-28

Department: Fine Arts Museums

Items: File 101-93-103 - Ordinance appropriating and rescinding \$1,770,354 to transfer funds from Temporary Salaries, Professional and Other Non-Personnel Services, and Services of Other Departments to Permanent Salaries - Miscellaneous and Mandatory Fringe Benefits in order to reinstate 46 positions and delete one position for FY 1993-94; providing for ratification of action previously taken.

File 102-93-10 - Ordinance amending the Annual Salary Ordinance, 1993-1994, reflecting the addition of 46 positions and the deletion of one position.

Amount: \$1,770,354

Source of Funds: Reappropriation of allocations in the Fine Arts Museums' FY 1993-94 budget as follows:

Temporary Salaries	\$359,231
Professional Services	1,378,333
Other Non-Personnel Services	3,790
Services of Other Departments	<u>29,000</u>
Total	\$1,770,354

Description: The Mayor's FY 1993-94 budget included the Fine Arts Museums' request to contract out custodial and security guard functions in order to meet the Fine Arts Museums' budget target. The Board of Supervisors disapproved the Controller's Proposition J certification needed for the contracting out of such services, which would have saved between \$430,075 and \$768,015 for FY 1993-94 over the cost of providing such services in-house on a Civil Service basis. Subsequently, in July 1993, the Fine Arts Museums was able to negotiate a wage concession package with the SEIU Local 790 which will result in savings of \$518,116 for FY 1993-94. The savings resulting from the agreement which was reached between the Fine Arts Museums and the Union, and which must be ratified by the Board of Supervisors, is summarized below:

<u>Source of Savings</u>	<u>Estimated Savings FY 1993-94</u>
Reduce 8202 Security Guard, 8226 Museum Guard, and 8228 Senior Museum Guard from 8-hour shifts to 7-hour shifts.	\$166,736
Reduce 3502 Museum Exhibit Packer and 3556 Museum Registrar from 8-hour shifts to 7-hour shifts.	8,756
One Floating Holiday per year unpaid for Civil Service staff.	9,000
Freeze four vacant 8226 Museum Guard positions and one 8202 Security Guard position.	212,714
Retirement of one 3632 Librarian position, which will not be refilled.	31,120
Layoff of one 2718 Custodial Supervisor position and elimination of one vacant 2708 Custodian position	78,875
Reduce remaining three 2708 Custodial positions from 8-hour shifts to 7-hour shifts.	<u>10,915</u>
Total	<u>\$518,116</u>

The Fine Arts Museums is now proposing to amend the Annual Salary Ordinance by adding back the 46 Civil Service positions which had been deleted by the Mayor's Office in the FY 1993-94 budget. These positions were never vacated due to the rejection by the Board of Supervisors of the Fine Arts Museums' Proposition J request for contracting out security and custodial services.

Thus, the proposed ordinance would formally recognize positions already in existence rather than creating new positions.

The following positions would be added back to the 1993-94 Annual Salary Ordinance:

<u>Classification</u>	<u>No. of Positions</u>	<u>Biweekly Salary</u>	<u>Annual Salary at Top Step</u>
<u>Additions:</u>			
2708 Custodian	3	\$984-\$1,191	\$31,085
7120 Building & Grounds Maintenance Superintendent	1	2,533	66,111
8202 Security Guard	2	952-1,152	30,067
8226 Museum Guard	33	1,152-1,394	36,383
8228 Senior Museum Guard	6	1,279-1,550	40,455
8230 Chief Museum Guard	<u>1</u>	1,421-1,723	44,970
Total Additions	46		

Deletion:

7205 Chief Stationary Engineer	<u>(1)</u>	\$2,188	\$57,107
Net Total	45		

In addition, the Fine Arts Museum is proposing to reappropriate \$1,770,354, originally budgeted for Temporary Salaries, Professional Services, Non-Personnel Services, and Services of Other Departments to Permanent Salaries - Miscellaneous and Mandatory Fringe Benefits, in order to fund the reinstatement of the aforementioned positions for the period July 1, 1993, through June 30, 1994. The details of this request are as follows:

RESCISSIONS

Temporary Salaries

\$359,231

The amount of \$359,231 for Temporary Salaries would be reappropriated to Permanent Salaries, Mandatory Fringe Benefits, Overtime, and Holiday and Premium Pay. Funding for Temporary Salaries would have been necessary only if the Proposition J certification had been approved by the Board of Supervisors. If the Proposition J certification had been approved, it would have taken effect starting September 1, 1993. Therefore, between July 1, 1993, and September 1, 1993, the Civil Service employees would have had to remain on the payroll and would have been funded by Temporary Salaries.

Professional Services **\$1,378,333**

The original Fine Arts Museums' FY 1993-94 budget allocated \$1,378,333 for Professional Services, which would have been expended on contractual security and custodial services if the Proposition J certification had been approved by the Board of Supervisors. This amount would now be reappropriated to fund the necessary Permanent Salaries, Holiday and Premium Pay, Overtime, and Mandatory Fringe Benefits (see below) of the Civil Service positions to be added to the Annual Salary Ordinance.

Other Non-Personnel Services **3,790**

Because the Fine Arts Museums will be able to save \$3,790 on contractual services for garbage collection and other services in FY 1993-94, this amount (\$3,790) can be reappropriated to the line item categories listed below for Permanent Salaries, Holiday and Premium Pay, Overtime, and Mandatory Fringe Benefits.

Services of Other Departments **29,000**

Due to energy-saving measures taken by the Fine Arts Museums, the Department will save \$29,000 on utility expenses in FY 1993-94, thereby permitting the \$29,000 in savings to be reappropriated to the other line item categories shown below in the Fine Arts Museums' FY 1993-94 budget.

Total Rescissions **\$1,770,354**

APPROPRIATIONS

Permanent Salaries

A total of \$1,335,797 would be reappropriated in order to fund the permanent salaries of 45 reinstated plus one reclassified Civil Service employees in the Fine Arts Museums for FY 1993-94. The following shows a breakdown of these costs¹:

¹ The figures in this table for the 2708 Custodian, 8202 Security Guard, 8226 Museum Guard, and 8228 Senior Museum Guard positions incorporate the savings resulting from reduced working hours for these four positions as noted above.

<u>Classification</u>	<u>No. of Positions</u>	<u>Total FY 1993-94 Cost</u>
2708 Custodian	3	\$86,738
7120 Building & Grounds Maintenance Superintendent	1	59,350 ²
8202 Security Guard	2	65,204
8226 Museum Guard ³	33	974,925
8228 Senior Museum Guard	6	213,151
8230 Chief Museum Guard	<u>1</u>	<u>44,970</u>
Subtotal	46	\$1,444,338
Less Savings from Reduced Working Hours for 3502 Museum Exhibit Packer, 3556 Museum Registrar, & 3631 Librarian II - Fine Arts, as noted above		(13,189)
Less Salary Savings ⁴		(38,245)
Less Salary of 7205 Chief Stationary Engineer due to Position's Deletion		<u>(57,107)</u>

Total Permanent Salaries **\$1,335,797**

Overtime **32,371**

Because three vacant guard positions are not being filled and due to the need to provide night coverage when employees are absent due to vacation or illness, the Fine Arts Museums has requested \$32,371 in overtime to employees for FY 1993-94.

Holiday Pay **55,655**

The need for security guards on holidays requires that the Fine Arts Museums expend \$55,655 for Holiday Pay in FY 1993-94.

Premium Pay **37,157**

Employees who work at night for the Department, such as security guards and custodians, are paid an eight percent night differential, amounting to \$37,157 for FY 1993-94.

² See Comment No. 1.

³ Proposed funding is for only 30 of the 33 Museum Guard positions to be added to the 1993-94 Annual Salary Ordinance. The other three positions which are vacant are not being funded.

⁴ This amount includes savings for FY 1993-94 resulting from the retirement of one 3632 Librarian II in December, 1993, and from attrition of other staff.

Mandatory Fringe Benefits **\$309,374**

Funds from other line item categories in the Fine Arts Museums' FY 1993-94 budget would be reappropriated to Mandatory Fringe Benefits in the amount of \$309,374 for the 43 Civil Service Positions for which funding is available.

Total Appropriations **\$1,770,354**

The following analysis summarizes the projected funds needed for FY 1993-94:

<u>Line Item</u>	<u>Permanent Salaries</u>	<u>Overtime</u>	<u>Holiday Pay</u>	<u>Premium Pay</u>	<u>Mandatory Fringe Benefits</u>	<u>Total</u>
Original Amount Budgeted FY 1993-94	<u>\$810,254</u>	<u>\$1,500</u>	<u>\$2,900</u>	<u>\$0</u>	<u>\$187,786</u>	<u>\$1,002,440</u>
Amount Expended 7/1/93 to 2/11/94	1,330,455	40,917	37,212	21,558	289,355	1,719,497
Projected Expenditures 2/12/94 to 6/30/94	<u>824,041</u>	<u>28,605</u>	<u>7,241</u>	<u>12,782</u>	<u>175,060</u>	<u>1,047,729</u>
Total Projected Expenditures	<u>\$2,154,496</u>	<u>\$69,522</u>	<u>\$44,453</u>	<u>\$34,340</u>	<u>\$464,415</u>	<u>\$2,767,226</u>
Total Projected Expenditures Less Amount Budgeted	1,344,242	68,022	41,553	34,340	276,629	1,764,786
Proposed Supplemental Appropriation	<u>1,335,797</u>	<u>32,371</u>	<u>55,655</u>	<u>37,157</u>	<u>309,374</u>	<u>1,770,354</u>
Total Projected (Deficit)/ Surplus	<u>(\$8,445)</u>	<u>(\$35,651)</u>	<u>\$14,102</u>	<u>\$2,817</u>	<u>\$32,745</u>	<u>\$5,568</u>

Comments:

1. As noted above, the proposed supplemental appropriation of \$1,770,354 is \$5,568 more than the overall projected deficit amount of \$1,764,786. Therefore, the proposed supplemental appropriation should be reduced by \$5,568 to \$1,764,786 by adjusting the appropriations, as reflected in the previous chart.
2. The reclassification of the Chief Stationary Engineer to the Building & Grounds Maintenance Superintendent is not scheduled to take effect until April 1, 1994. Therefore, the employee who is to be promoted from a Chief Stationary Engineer, to a Building & Grounds Maintenance Superintendent, will be paid for 19.6 pay periods as the Chief Stationary Engineer, and for 6.5 pay periods as the Building & Grounds Maintenance Superintendent, for a total of 26.1 pay periods, as follows:

<u>Classification</u>	<u>No. of Pay Periods</u>	<u>1993-94 Biweekly Salary</u>	<u>FY 1993-94 Total Cost</u>
7205 Chief Stationary Engineer	19.6	\$2,188	\$42,885
7120 Building & Grounds Maintenance Superintendent	<u>6.5</u>	2,533	<u>16,465</u>
Total	26.1		\$59,350

3. According to Mr. Steve Dykes of the Fine Arts Museum, the Chief Stationary Engineer is being upgraded to Building & Grounds Maintenance Superintendent since the person currently occupying the Chief Stationary Engineer position has also been performing the duties of the Building & Grounds Maintenance Superintendent over the past year.

Recommendation: 1. Amend the proposed ordinance (File No. 101-93-103) by reducing the proposed supplemental appropriation by \$5,568 to \$1,764,786 by adjusting the appropriations as reflected in the above chart.

2. Approve the proposed ordinance (File No. 101-93-103) as amended.

3. Approve the proposed ordinance (File No. 102-93-28) to amend the Annual Salary Ordinance, 1993-94, reflecting the addition of 46 positions and the deletion of one position.

Item 8 - File 207-94-7

Departments: Police Department.
Public Defender.

Item: Hearing to consider the confiscation of money belonging to Mr. Terrance Alan as a result of his arrest for possession of marijuana, and to ascertain the disposition of said money.

Description: According to Mr. Jim Caldwell of the San Francisco Regional Office of the California Department of Justice, Bureau of Narcotic Enforcement, on May 25, 1993, officers from the Bureau of Narcotic Enforcement, arrived at the home of Mr. Terrance Alan, at 56 14th Street, and presented him with a search warrant related to Mr. Alan's possible cultivation and sale of marijuana. The officers proceeded to enter Mr. Alan's home and, as part of the search, the officers seized property belonging to Mr. Alan, including \$1,000 in currency.

According to Mr. Henry Doering, of the Public Defender's Office, subsequent to the seizure of Mr. Alan's property, a warrant for Mr. Alan's arrest was obtained by the San Francisco Police Department. A trial is scheduled for Superior Court on April 4, 1994. Consequently, Mr. Alan's \$1,000 in currency is currently being held by the State Bureau of Narcotic Enforcement for possible use as evidence in the trial.

In addition, according to Mr. Doering, Mr. Alan's cultivation of marijuana was not for commercial purposes, but rather for the purpose of alleviating AIDS symptoms that Mr. Alan's domestic partner was experiencing. Mr. Alan's domestic partner has since died from the disease, according to Mr. Doering.

Comments: 1. Mr. Doering reports that the confiscation of Mr. Alan's \$1,000 in currency was both legal and standard practice. He states that "it is clear that the police or any law enforcement agency, particularly when acting pursuant to a search warrant, has the right to seize anything it believes is evidence in a criminal case."

2. In addition, Mr. Doering advises that it is standard practice that criminal evidence, such as Mr. Alan's \$1,000 in currency, is retained by the police or law enforcement agency until the case is concluded. Mr. Doering also advises that once the case is concluded, the evidence usually will be returned to its owner, unless it is part of the evidence used in jury trial, or unless the evidence is viewed as the "fruit of a criminal enterprise."

Accordingly, if the seized property was used in a jury trial, it can be retained by the State Bureau of Narcotic Enforcement until all appeals are concluded. If the property is viewed as profits from criminal activities, the property may have to be forfeited, according to Mr. Doering. Mr. Doering also reports that since Mr. Alan's activities involved marijuana, and not substances such as crack or heroin, Mr. Alan cannot be viewed as having engaged in "criminal profiteering," under California Penal Code Section 186, et seq. Consequently, Mr. Doering has advised that it is very likely that Mr. Alan's \$1,000 in currency will be returned to Mr. Alan at the conclusion of the upcoming trial in Superior Court, or at the conclusion of any subsequent appeals.

Item 9 - File 229-94-1

Note: This item was continued from the Budget Committee meeting of March 23, 1994.

Department: Department of Electricity and Telecommunications (DET)

Item: Ordinance:

(1) directing the General Manager of the Department of Electricity and Telecommunications to establish a new application procedure for the issuance of permits for connecting auxiliary fire alarm systems to the municipal alarm system.

(2) directing the General Manager of the Department of Electricity and Telecommunications to review all submitted applications for connection to the municipal fire alarm system.

(3) directing the General Manager of the Department of Electricity and Telecommunications to prepare a new form of permit for connecting to the municipal fire alarm system.

(4) directing the General Manager of the Department of Electricity and Telecommunications to execute and issue permits for connecting to the municipal fire alarm system. This will increase the existing monthly fee of \$2.50 (\$30 annually) to \$15 per month (\$180 annually). This fee covers DET's costs of maintaining each fire alarm connection.

(5) directing the General Manager of the Department of Electricity and Telecommunications to charge an annual fee of \$180 for each connection to cover DET's maintenance costs, and to charge a fee to cover the costs incurred by the City to initially connect an auxiliary fire alarm system to the City's fire alarm system.

(6) revoking all existing permits effective 120 days from the passage of this ordinance.

(7) directing the General Manager of the Department of Electricity and Telecommunications to notify existing permittees of revocation of their permits.

Description:

The City's Charter Section 3.510 permits any person, firm, or corporation to have an auxiliary fire alarm system connected to the City's fire alarm system for fire protection under certain terms and conditions. The terms and conditions for such connection are to be established by the Board of Supervisors

BOARD OF SUPERVISORS
BUDGET ANALYST

upon recommendation by the General Manager of the Department of Electricity and Telecommunications (General Manager). The proposed ordinance would revise the terms and conditions under which a person, firm, or corporation may connect its auxiliary fire alarm system to the City's fire alarm system as recommended by the General Manager. These terms and conditions are as follows:

Applicant for Permit: The General Manager would establish a new application procedure to issue permits and connecting auxiliary fire alarm systems to the City's fire alarm system. The new application would require the following information:

- (1) Name, address and telephone number of applicant and contact.
- (2) Contact person for applicant.
- (3) Address, permitted use of, and owner's name of the building where the proposed auxiliary fire alarm would be installed and connected to the City's fire alarm system.
- (4) The type and location of the fire alarm system that the applicant intends to install.
- (5) If the applicant is not the owner, then a letter from the building owner would be required stating that the applicant is authorized to act as the owner's agent for purposes of connecting the auxiliary fire alarm system.

Review of Application: The General Manager would review all submitted applications and would have the right to approve or disapprove any submitted application.

Permit Form: In consultation with the City Attorney, the General Manager would prepare a permit form for connecting to the City's fire alarm system. This form would include various terms and conditions such as the annual fee, an agreement to maintain insurance, and a security deposit of at least \$10,000.

Monthly Fee and Other Fees: An annual fee of \$180 would be charged for each connection to the City's fire alarm system. This \$180 fee is 150 or 500 percent more than the \$30 annual fee which the City currently charges. In addition to the annual connection fee, the General Manager would be permitted to charge a fee to cover the costs incurred by the City to connect an auxiliary fire alarm system to the City's fire alarm system.

Revocation of Permits: All existing permits covered by the proposed ordinance would be revoked effective 120 days after passage of the proposed ordinance. The General Manager would be directed to send a written notice to the existing permit holders notifying them of this revocation and informing them of the new procedure to obtain new permits.

Comments:

1. There are currently five fire alarm companies in San Francisco that have their auxiliary fire alarm systems connected to the City's fire alarm system. These companies are: California Fire Security; Simplex Time Recorder Company; Triple S Company; Pacific Auxiliary Fire Alarm Company; and Pacific Fire Extinguisher Company. These five companies have a total of 84 fire alarm auxiliary fire alarm connections to the City's fire alarm system. Thus, the City is currently collecting a total of \$2,520 (\$30 annual fee x 84 connections) per year from these companies. Under the proposed ordinance and based on the five companies that already have connections, the proposed annual connection fee of \$180 would generate \$15,120 annual revenue (\$180 x 84 connections = \$15,120) or \$12,600 more than the existing revenues. These revenues would be deposited into the City's General Fund.

2. According to Mr. Fred Weiner of the DET, the DET is proposing to increase the annual connection fee by \$150, from \$30 to \$180, because the existing fee of \$30 has been in effect for over 50 years and is not equivalent to the cost of maintaining the City's fire alarm connections. DET's annual costs to maintain the City's fire alarm system are \$733,000. According to DET, there are 2,037 fire alarm boxes in the City's system and each connection to a box should share in paying one-half of the maintenance costs for the box. Each auxiliary fire alarm system connects to one fire alarm box. The full maintenance cost for each box is approximately \$360 per year and one-half is \$180. Therefore, the proposed annual connection fee is \$180.

3. The City's Charter Section 3.510 requires the DET to establish fees for connecting to the City's fire alarm system based on a fair compensation for such services. Mr. Weiner advises that basing the annual fee on the actual costs, or \$180, to maintain the fire alarm connections would be a fair compensation.

4. Mr. Weiner advises that the proposed \$180 annual connection fee would be applied to any individual or business that has a connection to the City's fire alarm system, regardless of the size of the building. According to Mr. Weiner, the cost to maintain the City's fire alarm connections is not

BOARD OF SUPERVISORS
BUDGET ANALYST

related to the size of a building that has a fire alarm connection. Mr. Weiner further reports that if the Board of Supervisors wants to propose a sliding scale connection fee schedule based on the size of the building then either 1) DET would charge owners of larger buildings a fee greater than DET's costs in order to compensate for charging owners of smaller buildings a fee lower than DET's costs, or 2) DET would not fully recover its costs. In addition, according to Mr. Weiner, the DET surveyed six jurisdictions regarding their fire alarm connection fee setting methodologies and all six jurisdictions charge a flat fee. These six jurisdictions are the City of Los Angeles, Daly City, Livermore, Pleasanton, Oakland and Saratoga.

5. Finally, Mr. Weiner reports that smaller buildings, such as residential buildings, usually contract with a private fire alarm company for fire alarm services. As previously noted, the only companies that currently have auxiliary fire alarm systems connected to the City's fire alarm system are five fire alarm companies. Mr. Weiner reports that the private fire alarm companies charge a reduced fee to the owners of smaller buildings for their proportionate use of the City's fire alarm system. As of the writing of this report, Mr. Weiner was unable to provide an estimated number of smaller buildings in the City that contract with a private fire alarm company for fire alarm services.

6. Mr. Weiner reports that the DET has not yet determined what its actual costs are to initially connect an auxiliary fire alarm system to the City's fire alarm system. However, Mr. Weiner estimates that the actual costs would be less than \$5,000 per connection to the City's fire alarm system and an average cost of approximately \$2,500 per connection. Mr. Weiner advises that, in addition to the annual connection fee, DET would determine its costs at the time of each requested connection and bill the company or individual accordingly. Mr. Weiner reports that DET does not have an estimate of the number of individuals or additional companies that would request a connection to the City's fire alarm system.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Budget Committee
March 30, 1994



Harvey M. Rose

cc: Supervisor Hsieh
President Alioto
Supervisor Bierman
Supervisor Conroy
Supervisor Hallinan
Supervisor Kaufman
Supervisor Kennedy
Supervisor Leal
Supervisor Maher
Supervisor Migden
Supervisor Shelley
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Robert Oakes
Ted Lakey

BOARD OF SUPERVISORS
BUDGET ANALYST

SF
S90.07
#2
4/6/94

/// **CALENDAR** ... ACTION TAKEN
/// **BUDGET COMMITTEE**
/// **BOARD OF SUPERVISORS**
CITY AND COUNTY OF SAN FRANCISCO

DOCUMENTS DEPT.

AUG 27 1996

SAN FRANCISCO
PUBLIC LIBRARY

WEDNESDAY, APRIL 6, 1994 - 1:00 P.M.

ROOM 228, CITY HALL

MEMBERS: SUPERVISORS HSIEH, ALIOTO, BIERMAN,

CLERK: MARY L. RED

1. File 100-93-2.2. [Joint Report, Fiscal Years 1993-94/1994-95 Revenues] Hearing to consider the Joint Report of the Controller, Mayor's Office and the Budget Analyst on the City's fiscal year 1993-94 revenues and the projected fiscal year 1994-95 revenues. (Supervisor Hsieh)

ACTION: Hearing held. Consideration continued to call of the chair.

2. File 166-93-5. [Sale of Tax-Defaulted Property] Resolution authorizing the sale of certain tax-defaulted property located at 2710A Harrison Street, Assessor's Parcel No. 24 3640 003, to the Mission Housing Development Corporation; and providing for the execution of documents in connection therewith; and ratifying previous actions taken in connection therewith. (Supervisors Alioto, Bierman, Hsieh)
(Continued from 2/16/94)

ACTION: Hearing held. RECOMMENDED. (Supervisors Bierman and Hsieh added as cosponsors)

3. File 172-94-13. [Indemnification, Grateful Dead Productions, Inc.] Resolution authorizing the Director of Public Health to enter into an agreement indemnifying Grateful Dead Productions, Inc., for the use of its logo in connection with a free condom distribution program. (Supervisor Alioto)

ACTION: RECOMMENDED.

4. File 127-93-13.3. [Small Business Tax Exemption] Ordinance amending Part III of the San Francisco Municipal Code by amending Sections 905-A and 1005.3 to increase the qualifying maximum for the small business exemption for the 1995 tax year, amending Section 903.1 to eliminate payroll expense tax rates for smaller businesses exempted from payroll tax liability by this ordinance for the 1995 tax year and thereafter, and amending Sections 905-B and 1005.3-1 regarding 1993 and 1994 tax year liability for smaller businesses thereafter exempted from tax liability by this ordinance. (Supervisors Conroy, Alioto, Kaufman, Maher, Kennedy)
(Continued from 3/2/94)

ACTION: Hearing held. TABLED. (Supervisor Alioto dissenting)

5. File 100-94-2. [Tax Relief, Small Business] Resolution urging the Mayor to prepare fiscal year budget 1994-1995 to reflect revenues adjusted for the restoration of the \$2,500 threshold for the payment of the payroll/gross receipts tax. (Supervisor Conroy, Alioto, Kaufman, Maher, Kennedy) (Continued from 3/2/94)

ACTION: Hearing held. TABLED. (Supervisor Alioto dissenting)

6. File 101-93-48. [Appropriation, Mayor's Office] Ordinance appropriating \$20,000, Mayor's Office of Community Development, for professional services - special service contracts for the Day Laborer Program to be funded from Board of Supervisors General Fund Reserve. (Mayor)

ACTION: Consideration continued to April 13, 1994.

7. File 101-93-95. [Appropriation, Port of San Francisco] Ordinance appropriating \$1,336,856, Port, for capital improvements, facilities maintenance projects and debt service payments for fiscal year 1993-94; funded from San Francisco Harbor Operating Fund (\$1,108,000) and 1984 Port Revenue Bond fund (\$228,856). RO 393230 (Supervisor Alioto)
(Continued from 3/23/94)

ACTION: Consideration continued to April 13, 1994.

8. File 170-94-5. [Port Revenue Refunding Bonds] Resolution approving the issuance of not to exceed \$60,000,000 principal amount of Port Commission of the City and County of San Francisco Revenue Refunding Bonds and compliance with the provisions of the related indenture; establishing a maximum interest rate therefor; approving an amendment to a Joint Exercise of Powers Agreement with the Redevelopment Agency of the City and County of San Francisco; approving the obtaining of an opinion as to the validity of the Refunding Bonds; authorizing the Treasurer of the City and County of San Francisco to perform certain actions with respect to the issuance and sale of the Refunding Bonds; authorizing the officers of the City and County of San Francisco to take actions necessary or advisable to consummate the issuance of the Refunding Bonds and the application of the proceeds thereof; and ratifying actions previously taken with respect to the Refunding Bonds. (Port Commission)

ACTION: Hearing held. RECOMMENDED.

9. File 229-94-1. [Fire Alarm System Connection Charges] Ordinance directing the General Manager of the Department of Electricity to establish a new application procedure for the issuance of permits for connecting auxiliary fire alarm system to the Municipal Fire Alarm System; directing the General Manager to review all submitted applications for connection to the Municipal Fire Alarm System; directing the General Manager to prepare a new form of permit for connecting to the Municipal Fire Alarm System; directing the General Manager to execute and issue permits; directing the General Manager to charge a sliding scale based upon the number of fire sensing devices in the building, as such is allowed under Section 3.510 of the Charter; increasing the current monthly charge of \$2.25 to \$3.75 authorized in Ordinances Nos. 525-88, 408-91, 254-71, 2137-1889 and 510-60 to an annual charge of \$180.00 (\$15.00 per month prorated) for each connection; authorizing the General Manager to take such action necessary or advisable; revoking existing permits contained in Ordinances Nos. 525-88, 408-91, 254-71, 2137-1889 and 510-60 effective 120 days from the passage of this ordinance; and directing the General Manager to notify existing permittee of revocation. (Dept. of Electricity and Telecommunications)

(Continued from 3/30/94)

ACTION: Amendment of the Whole (as presented by the Department) adopted.
New Title: "Ordinance directing the General Manager of the Department of Electricity to establish a new application procedure for the issuance of permits for connecting auxiliary fire alarm system to the Municipal Fire Alarm System; directing the General Manager to review all submitted applications for connection to the Municipal Fire Alarm System; directing the General Manager to prepare a new form of permit for connecting to the Municipal Fire Alarm System; directing the General Manager to execute and issue permits; directing the General Manager to charge an annual sliding scale (\$135-\$225 per year) based upon the number of fire sensing devices in the building, as such charge is allowed under Section 3.510 of the Charter; increasing the current monthly charge ranging from \$2.25 to \$3.75 for each connection authorized in Ordinances Nos. 525-88, 408-91, 254-71, 2137-1889 and 510-60 to an annual sliding scale charge (\$135-\$225 per year) based upon the number of fire sensing devices in the building; authorizing the General Manager to waive charge for Reichel Systems; authorizing the General Manager to take such action necessary or advisable; revoking existing permits contained in Ordinances Nos. 525-88, 408-91, 254-71, 2137-1889 and 510-60 effective 120 days from the passage of this ordinance; and directing the General Manager to notify existing permittee of revocation." **RECOMMENDED AS AMENDED.**

10. File 101-93-104. [Appropriation, Citywide Radio System] Ordinance appropriating \$272,054, Department of Electricity and Telecommunications for permanent salaries, mandatory fringe benefits, overhead, non-personal services, materials and supplies and services of other departments for the creation of five (5) positions for the development of the Citywide Radio System, appropriating \$145,539 to the capital reserve and rescinding various capital improvement projects at the Department of Public Works. (Supervisor Hsieh) (Companion to the following file.)

ACTION: Amendment of the Whole (reflecting the Budget Analyst's recommendations) adopted. New title: "Ordinance appropriating \$246,050, Department of Electricity and Telecommunications for permanent salaries, mandatory fringe benefits, overhead, non-personal services, materials and supplies and services of other departments for the creation of five (5) positions for the development of the Citywide Radio System, appropriating \$145,539 to the capital reserve and rescinding various capital improvement projects at the Department of Public Works; placing \$40,000 on reserve and providing for ratification of action previously taken." RECOMMENDED AS AMENDED.

11. File 102-93-30. [Public Employment, Adding Five Positions] Ordinance amending the Annual Salary Ordinance No. 1242-93, reflecting the addition of five (4) positions in the Department of Electricity and Telecommunications. (Supervisor Hsieh) (Companion to the preceding file.)

ACTION: RECOMMENDED.

12. File 101-90-127.6 [Reserved Funds, Civic Auditorium] Hearing requesting release of reserved funds, Department of Public Works, 1990 Earthquake Safety Bond Funds, in the amount of \$600,000, for the Civic Auditorium seismic upgrade and earthquake repair project. (Also see Files 101-91-74.6 and 101-92-74.1) (Department of Public Works)

ACTION: Release of reserved funds in the amount of \$600,000 approved. FILED.

13. File 101-91-74.6. [Reserved Funds, Civic Auditorium] Hearing requesting release of reserved funds, Department of Public Works, 1990 Earthquake Safety Bond Fund, in the amount of \$9.6 million, for the Civic Auditorium seismic upgrade and earthquake repair project. (Also see Files 101-90-127.6 and 101-92-74.1.) (Department of Public Works)

ACTION: Release of reserved funds in the amount of \$9.6 million approved. FILED.

14. File 101-92-74.1. [Reserved Funds, Civic Auditorium] Hearing requesting release of reserved funds, Department of Public Works, 1990 Earthquake Safety Bond Funds, in the amount of \$12,033,000, for the Civic Auditorium seismic upgrade and earthquake repair project. (Also see Files 101-90-127.6 and 101-91-74.6). (Department of Public Works)

ACTION: Release of reserved funds in the amount of \$12,033,000 approved. FILED.

15. File 28-94-8. [DPW - Jackson Street Sewer Replacement] Resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to replace structurally inadequate sewer in Jackson Street between Grant Avenue and Stockton Street - \$186,275. (Department of Public Works)

ACTION: RECOMMENDED.

16. File 28-94-10. [DPW - Folsom Street Sewer Replacement] Resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to replace structurally inadequate sewer in Folsom Street between Sixth Street and Fifth Street - \$189,300.

ACTION: Amended on page 1, line 21 by replacing "\$189,300" with "\$250,000".
Same title. RECOMMENDED AS AMENDED

17. File 31-94-1. [Class Q60 and Q80, Police Department] Resolution approving immediate filling of vacated positions of six Q60 Lieutenants and one Q80 Captain of Police, San Francisco Police Department. (Supervisor Alioto)

ACTION: RECOMMENDED. (Supervisor Alioto added as sponsor)

18. File 97-94-18. [Dept of Social Services, General Grant Levels] Ordinance amending Administrative Code by amending Section 20.57 (General Assistance Ordinance), relating to the computation of aid grants. (Department of Social Services)

ACTION: Hearing held. TABLED (Supervisor Hsieh dissenting)

19. File 170-94-4. [Moscone 1994 Project Lease, Redevelopment Agency] Ordinance approving and authorizing the execution and delivery of the form of the 1994 Project Project Lease between the City and the Redevelopment Agency of the City and County of San Francisco relating to a certain portion of the George R. Moscone Convention Center; authorizing the Mayor to make any necessary or advisable changes to the 1994 Project Lease; approving the issuance of the Redevelopment Agency of the City and County of San Francisco Lease Revenue Bonds, Series 1994 (George R. Moscone Convention Center); authorizing City officials to take any necessary or advisable actions in connection with the execution of the Project Lease, the authorization, issuance, sale and delivery of the bonds and certain related matters; and ratifying actions previously taken. (Supervisors, Bierman, Alioto, Hsieh)

ACTION: Hearing held. RECOMMENDED. (Supervisors Bierman, Alioto, Hsieh added as sponsors)

CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS**BUDGET ANALYST**

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

April 4, 1994

TO: Budget Committee

FROM: Budget Analyst

SUBJECT: April 6, 1994 Budget Committee Meeting

Item 1 - 100-93-2.2

1. This is a hearing to consider the Joint Report of the Controller, Mayor's Office and the Budget Analyst on the City's Fiscal Year 1993-94 revenues and the projected Fiscal Year 1994-95 revenues.
2. As of the writing of this report, the Controller has not yet issued his anticipated analysis of 1993-94 revenues and expenditures through February, 1994. This report is expected to be issued on April 4, 1994. Following the issuance of this report, the Controller, Mayor's Office and the Budget Analyst will meet to update our Joint Report on the 1994-95 Revenue shortfall in order to report to the Budget Committee at its meeting of April 6, 1994.

Item 2 - File 166-93-5

Note: This item was continued by the Budget Committee at its meeting of February 16, 1994.

Department: Tax Collector
Mayor's Office of Housing (MOH)

Item: Resolution authorizing the sale of certain tax-defaulted property located at 2710A Harrison Street to the Mission Housing Development Corporation, providing for the execution of related documents, and ratifying previous actions in connection with this sale.

Amount: \$8,500

Description: The Tax Collector recommends that the Board of Supervisors approve the sale of real property located at 2710A Harrison Street to the non-profit housing corporation, Mission Housing Development Corporation (MHDC), for \$8,500. Such a sale is pursuant to Chapter 8 of Part 6 of Division 1 of the California Revenue and Taxation Code, which governs the sale of tax-defaulted property.

The Tax Collector advises that the property has been tax-defaulted for nonpayment of secured real property taxes for more than 15 years. Based on further investigations, the Tax Collector has found:

- The subject property is landlocked¹ and is an undevelopable vacant lot located adjacent to multi-unit residential buildings at 3019² and 3025 23rd Street owned by MHDC and in the vicinity of the Abel Gonzales Apartments senior housing development;
- the Tax Deed conveying the subject property to MHDC would require that, within two years after the sale, the property be dedicated in perpetuity for public purposes as a community garden or park for neighborhood residents; and

¹ A five foot easement across 3019 23rd Street is the only access.

² MHDC has recently rehabilitated 3019 23rd Street creating four family units and two handicap accessible studio units for low and moderate income households using Community Development Block Grant (CDBG) Community Housing Rehabilitation Program (CHRP) monies and HUD Residential Rehabilitation monies.

- the proposed sale price of \$8,500, which is the fair market value of the subject property according to Mr. Harry Quinn of the Real Estate Department, is the minimum bid that the Tax Collector can accept under the applicable provisions of the California Revenue and Taxation Code.

Comments:

1. The Mayor, on behalf of the City, has filed with the Clerk of the Board of Supervisors an Agreement in which MHDC would purchase the subject property for \$8,500. According to this Agreement, the Mission Housing Development Corporation (MHDC) would dedicate the tax-defaulted property for public use in perpetuity as a community garden or park as a condition of the parcel's conveyance. As previously stated, if the parcel is not dedicated for public purposes within two years, the conveyance from the City would be rescinded.

2. As of November 1993, the amount of delinquent property taxes and penalties on the subject property totals \$27,275. These taxes and penalties have accumulated over the past 16 years.

3. The \$8,500 purchase price would be paid to the Tax Collector to offset the existing delinquent property taxes and penalties owed on the property.

4. Mr. Thad Brown of the Tax Collector's Office advises that an attempt was made last year to sell the subject parcel by public auction. However, no bids were received at that time. Therefore, a negotiated sale, which requires Board of Supervisors approval, is being proposed, in lieu of a second attempt by the Tax Collector to sell the property at public auction. The proposed alternative negotiated sale has been approved by the State Board of Equalization.

5. Mr. Richard Sullivan of the Tax Collector's Office advises that a recent change to the California State Revenue and Taxation Code provides that the minimum price at which property can be offered for sale is the price necessary to redeem all delinquent taxes, penalties, fees, and costs. However, Mr. Sullivan further advises that the Revenue and Taxation Code also provides that the Tax Collector may, at his or her discretion, with the approval of the Board of Supervisors, offer property at a minimum price that the Tax Collector deems appropriate where such property has been previously offered for sale at least once and no acceptable bids were received.

BOARD OF SUPERVISORS
BUDGET ANALYST

6. Because the subject Agreement is dated October 26, 1993, action by the Board of Supervisors requires the ratification of previous actions taken on the subject Agreement to sell the tax-defaulted property.

Recommendation: Approval of the proposed legislation is a policy matter for the Board of Supervisors.

Item 3 - File 172-94-13

Department: Department of Public Health (DPH)

Item: Resolution authorizing the Director of Public Health to enter into an agreement indemnifying Grateful Dead Productions, Inc. for the use of its logo in connection with a free condom distribution program.

Comments:

1. The DPH received a five-year research grant in FY 1991-92 from the Federal Centers for Disease Control for a program entitled the AIDS Evaluation of Street Outreach Project. As part of this research project, starting in May, 1993, the DPH began to implement a free condom distribution program in the Haight Ashbury neighborhood. The goal of the condom distribution program is to prevent the spread of AIDS and other communicable diseases. Ms. Valerie Kegebein of the DPH reports that DPH outreach workers currently distribute approximately 700 to 800 condoms per month. Ms. Kegebein states that the primary targets of the distribution program are homeless and runaway youth. Ms. Kegebein advises that the condom distribution program is expected to have grant funding at least through September of 1996.
2. Dr. Mitchell Katz of the DPH states that staff of the DPH approached the Grateful Dead Productions, Inc. to request use of their logo on the condom packages to be distributed under this program, in order to increase the acceptability of the condoms to the target youth groups. Dr. Katz advises that the Grateful Dead Productions, Inc. will permit use of their logo by the DPH at no charge to the City.
3. Ms. Paula Jesson of the City Attorney's Office states that any time the City indemnifies a third party, there is an additional risk of liability. In this case, Ms. Jesson advises, where the third party is a celebrity group, the risk could increase because people could see the group as a deep pocket. However, Ms. Jesson further advises that the City is responsible for the selection and packaging of the condoms. Ms. Jesson states that claims of injury are more likely to arise due to those activities than the use of the Grateful Dead logo. Ms. Jesson advises that the use of the logo does not seem to create a significantly greater risk of liability than already exists, except for the "celebrity" factor and the possibility that the use of the logo will cause a greater number of people to use the

Memo to Budget Committee
April 6, 1994 Meeting of Budget Committee

condoms, and correspondingly create a greater likelihood of someone claiming injury.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 4 - File 127-93-13.3

Note: This item was continued by the Budget Committee at its meeting of March 2, 1994. The author of this legislation advises the Budget Analyst that Items 4 and 5, Files 127-93-13.3 and 100-94-2, should be considered together.

Item: Ordinance amending Part III, Revenue/Business Registration, of the San Francisco Municipal Code pertaining to the Payroll and Gross Receipts Taxes beginning January 1, 1995, to a) increase the amount of the threshold related to the exemption allowed to small businesses and b) delete the provision for a graduated Payroll Tax rate (between 1.0 and 1.5 percent).

Description: Part III of the San Francisco Municipal Code includes Article 12-A, Payroll Expense Tax Ordinance, and Article 12-B, Business (Gross Receipts) Tax Ordinance. Currently, the Payroll Tax Ordinance imposes a tax on the payroll expense of business operations in San Francisco and the Gross Receipts Tax Ordinance imposes a tax on the gross receipts of business operations in San Francisco. Businesses pay the greater of either their Payroll Tax or their Gross Receipts Tax liability.

Payroll and Gross Receipts Tax Liability Exemptions for Small Businesses

The Municipal Code currently provides that all Small Businesses are totally exempt from the Payroll Tax (Section 905-A) and from the Gross Receipts Tax (Section 1005.3). A Small Business is defined as any business whose Payroll or Gross Receipts Tax liability does not exceed \$1,000.

The Municipal Code also currently provides that all Smaller Businesses are required to pay only one-half of their Payroll Tax liability (Section 905-B) or Gross Receipts Tax liability (Section 1005.3-1) for tax year 1993 if such liability is between \$1,001 and \$2,500. The Payroll or Gross Receipts Tax liability that is reduced by one-half is computed by multiplying the Smaller Business' annual payroll or gross receipts by the Payroll Tax rate, currently 1.0 to 1.5 percent, or the Gross Receipts Tax rate, generally 0.3 percent with some exceptions. A Smaller Business is defined as any business that existed prior to July 1, 1993 and whose 1993 Payroll or Gross Receipts Tax liability is between \$1,001 and \$2,500.

The proposed ordinance would delete the provisions for Smaller Businesses pertaining to both the Payroll Tax (Section 905-B) and the Gross Receipts Tax (Section 1005.3-1) payment for tax year 1995. The proposed ordinance would change the definitions of Small Businesses to include those businesses that for 1993 and 1994 tax payments are considered to be Smaller Businesses, by increasing the amount of the threshold related to the exemption of the Payroll Tax and Gross Receipts Tax liability from \$1,001 to \$2,500. Therefore, all business with a Payroll Tax or Gross Receipts Tax liability of \$2,500 or less would be classified beginning January 1, 1995 as Small Businesses that are totally exempt from payment of Payroll Tax and Gross Receipts Tax, instead of all businesses with a Payroll Tax or Gross Receipts Tax liability of \$1,000 or less.

Graduated Payroll Tax Rate

Section 903.1 provided that between July 1, 1990, and December 31, 1992, the Payroll Tax rate was 1.5 percent and that beginning January 1, 1993, the Payroll Tax rate is as follows:

<u>Annual Payroll Expense</u>	<u>Payroll Tax Rate (Percentage)</u>
Not exceeding \$140,000	1.0%
\$140,001 to \$166,667	1.25%
In excess of \$166,667	1.5%

The proposed ordinance would amend Section 903.1 to delete the provision for a graduated Payroll Tax rate (between 1.0 and 1.5 percent per table above) that became effective on January 1, 1993 and, instead, continues the 1.5 percent Payroll Tax. Should the threshold from the exemption for the Payroll Tax liability be extended to \$2,500 as proposed above, the graduated Payroll Tax rate that applies only to Payroll Tax liabilities of \$2,500 or less would no longer be needed beginning January 1, 1995. The proposed deletion of the graduated Payroll Tax rates pertains only to the Payroll Tax and not to the Gross Receipts Tax because currently there is no provision for a graduated Gross Receipts Tax.

Comment:

Mr. Richard Sullivan of the Tax Collector's Office advises that the proposed changes would result in decreased General Fund Revenues to the City of approximately \$5.22 million annually beginning January 1, 1995. Since January 1, 1995 occurs in the middle of Fiscal Year 1994-95, the City would lose approximately \$2.61 million (one-half of the

approximately \$5.22 million annual loss) in Fiscal Year 1994-95 for the period from January 1 through June 30, 1995. The City would lose the approximately \$5.22 million annually thereafter beginning with Fiscal Year 1995-96.

Recommendation: Approval of the proposed ordinance to change the Municipal Code provisions for the Payroll and Gross Receipts Taxes which would result in a General Fund revenue loss of approximately \$2.61 million for Fiscal Year 1994-95 and approximately \$5.22 million in each subsequent fiscal year is a policy matter for the Board of Supervisors.

Item 5 - File 100-94-2

Note: This item was continued by the Budget Committee at its meeting of March 2, 1994.

Note: The author of this legislation advises the Budget Analyst that Items 4 and 5, Files 127-93-13.3 and 100-94-2 should be considered together.

1. The proposed resolution would urge the Mayor to prepare the fiscal year 1994-95 budget to reflect revenues adjusted for the restoration of the \$2,500 threshold for the payment of the Payroll/Gross Receipts Tax. Item 4, File 127-93-13.3 of this report would amend Part III of the Municipal Code pertaining to the Payroll and Gross Receipts Taxes beginning January 1, 1995 to, in part, increase the amount of the threshold related to the exemption allowed to small businesses

2. The revenue estimates in the FY 1993-94 budget included revenues from a new small business tax which lowered the threshold for exempting small businesses from payment of the Payroll and Gross Receipts Taxes from \$2,500 to \$1,000. Therefore, if the tax liability of businesses is \$1,001 or more, such businesses would be subject to the payment of their Payroll and Gross Receipts Taxes owed to the City, whereas formerly such small businesses were not subject to the payment of these taxes unless their liability was \$2,501 or more.

3. This lowering of the threshold to determine the exemption from payment of the Payroll and Gross Receipts Taxes resulted in estimated increased annual Payroll and Gross Receipts Tax Revenues to the City of \$5.22 million which were included in the Fiscal Year 1993-94 budget.

4. According to the proposed resolution, it was the sentiment of a number of the Members of the Board of Supervisors that the \$2,500 threshold be restored as soon as additional savings were realized, above the projected \$8 million needed to restore the Department of Public Health's Fiscal Year 1993-94 services, based on adjustments in the yearly contribution rates to the Employees Retirement System. The proposed resolution states that \$16.2 million in savings was in fact realized from the adjustments to the contribution rates to the Employee Retirement System. The proposed resolution further states that in addition to the current year's savings, approximately \$32.4 million will accrue to the General Fund for FY 1994-95, as a direct result of these adjustments to the retirement contribution rates. Accordingly, the proposed resolution would urge the Mayor to prepare the FY 1994-95 budget to reflect the restoration of the \$2,501 threshold for the payment of Payroll/Gross Receipts Taxes for businesses and place the Board of Supervisors on record that it intends to amend the business tax ordinance for FY 1994-95 by restoring the tax threshold to \$2,501.

Comment

Mr. Richard Sullivan of the Tax Collector's Office advises that the proposed amendment to the Municipal Code (Item 4, File 127-93-13.3 of this report), if approved, would result in decreased General Fund Revenues to the City of

Memo to Budget Committee
April 6, 1994 Budget Committee Meeting

approximately \$5.22 million annually beginning January 1, 1995. Since January 1, 1995 occurs in the middle of FY 1994-95, the City would lose approximately \$2.61 million (one-half of the approximately \$5.22 million annual loss) in FY 1994-95 for the period from January 1 through June 30, 1995. The City would lose the approximately \$5.22 million annually thereafter beginning with FY 1995-96.

Recommendation

Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Item 6 - File 101-93-48

Note: This item was continued by the Budget Committee at its meeting of December 15, 1993.

Department: Mayor's Office of Community Development (MOCD)

Item: Supplemental Appropriation for the Mayor's Office of Community Development (MOCD) for contractual services to manage the City's Day Laborer Program.

Amount: \$20,000

Source of Funds: Day Laborer Program General Fund Reserve Established by the Board of Supervisors in the FY 1993-94 Budget.

Description: The proposed supplemental appropriation would increase the Day Laborer Program in the approved FY 1993-94 budget for the Mayor's Office of Community Development (MOCD) by \$20,000 from \$75,000 to \$95,000. The Day Laborer Program had a \$100,000 budget in FY 1992-93 when it was administered by the Public Guardian.

The Day Laborer Program helps individuals to find casual day work. The program provides for a trailer, referred to as the Day Laborer Hiring Hall, parked at Franklin Square (Hampshire and 17th Streets) which provides a centralized location from which day laborers can solicit employment.

The purpose of the Day Laborer Program is to meet the needs of day laborers who are congregating primarily on street corners in the areas of Duncan and Valencia Streets, Army and Mission Streets and South Van Ness Avenue and Army Street. Other street locations, as yet to be designated, are to be added to these locations to permit a possible future expansion of the Day Laborer Program, funds permitting. In addition, the Day Laborer Program is to eliminate unfair labor practices that have previously occurred when employers have hired day laborers.

Currently, employers who hire day laborers are asked to register with the Day Laborer Program. This procedure allows MOCD program personnel to monitor employment activities that will minimize violations related to fair wages and employee hours. The Day Laborer Program is also intended to help alleviate the problems associated with large groups of laborers congregating in either commercial or residential zones of the City.

At the present time, the Day Laborer Program is administered directly by the Mayor's Office of Community Development (MOCD), at an annual cost, including related expenses, of \$109,939. Until February, 1994, the program was staffed with two on-site MOCD temporary employees. Mr. Wayne Lawrence of the MOCD advises that one of the temporary employees resigned at that time, and the program is currently being administered directly by one MOCD temporary on-site employee. MOCD advises that the Day Laborer Program will be managed by a non-profit corporation under a contract with the Coalition for Immigrant and Refugee Rights and Services (CIRRS). MOCD selected CIRRS through a competitive bidding process. Mr. Lawrence states that the existing temporary MOCD employee will be terminated by the MOCD when the contract begins, and may be hired by CIRRS.

Comments:

1. As indicated above, Mr. Lawrence reports that MOCD will transfer the direct administration of the Day Laborer Program from the MOCD to a nonprofit agency, the Coalition for Immigrant and Refugee Rights and Services (CIRRS), if the Board of Supervisors approves this requested supplemental appropriation ordinance for \$20,000, as well as the pending Proposition J certification for the contract with CIRRS. Mr. Lawrence expects the proposed Proposition J certification to be submitted for final approval at the May 2, 1994 meeting of the Board of Supervisors. The FY 1993-94 CIRRS contract, in the amount of \$15,828, would be for a period of two months, from May 2, 1994 to June 30, 1994. The contract would be administered by the MOCD. Mr. Lawrence states that he anticipates that the same contractor would manage the Day Laborer Program during FY 1994-95, at an annual cost of \$94,965.

2. Although a Proposition J analysis has not yet been submitted to the Board of Supervisors for certification, the Controller's Office states that "the requirements of Charter Section 8.300-1 relative to the Controller's findings that 'work or services can practically be performed by private contract' for Fiscal Year 1994-95 have been satisfied." The Controller's Office further states that, "Since it is less expensive to contract out for these services in Fiscal Year 1994-95, it would similarly be less expensive to contract out for these services for the remaining months of Fiscal Year 1993-94."

3. CIRRS proposes to operate the Day Laborer Program at an annual cost of \$94,965, compared to an estimated annual cost of \$109,939 if the program is managed directly by MOCD using Civil Service personnel. The expected annual savings in FY 1994-95 from contracting the Day Laborer Program would be \$14,974.

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Budget Committee
April 6, 1994 Meeting of Budget Committee

4. Mr. Bernhard Gunther of the MOCD requests that the proposed ordinance be continued for one week.

Recommendation: Continue the proposed ordinance until the April 13, 1994 Budget Committee Meeting, as requested by the MOCD.

Item 7 - File 101-93-95

Note: This item was continued by the Budget Committee at its meeting of March 23, 1994.

Department: Port

Item: Supplemental Appropriation Ordinance appropriating \$1,336,856 for the Port for capital improvement and facilities maintenance projects and debt service payments for fiscal year 1993-94.

Amount: \$1,336,856

Source of Funds: \$1,108,000 - San Francisco Harbor Operating Fund
228,856 - 1984 Port Revenue Bond Fund
\$1,336,856 - Total

Description: The Port's requested supplemental appropriation in the amount of \$1,336,856 would be used by the Port to fund five projects and to make payment towards debt service as follows:

Seismic Safety Building Survey Project - \$200,000

This project involves surveying approximately eight Port-owned unreinforced masonry buildings with respect to soil, asbestos and masonry conditions. The Port advises that a Request for Proposals (RFP) has not yet been issued by the Port to acquire the necessary consultant services to conduct the survey.

Waterfront Land Use Plan Project - \$539,000

The Waterfront Land Use Plan will consist of the following three phases: (1) identifying how much Port land should be reserved for water-dependent maritime activities, (2) addressing the range of non-maritime uses that should be considered for development on Port property, including public recreation and open space and public access opportunities in connection with new development and (3) reconciling the land use recommendations produced in the first two phases, in order to produce a balanced Waterfront Plan that is financially feasible and can be implemented. The Port advises that RFPs have been issued to acquire the necessary consultant services to implement the tasks associated with the plan. However, according to the Port, specific contractors have not, as yet, been selected. The Port's projected expenditures for the \$539,000 are as follows:

Environmental Impact Review (EIR)	\$390,000
Contingency (10% of EIR)	39,000
Graphic Design Consultant	20,000
Printing and Mailing	20,000
City Planning	<u>70,000</u>
Total	\$539,000

Pier 45 Repairs Project - \$119,000

The proposed repairs to Pier 45 involve the repair to the Pier's fender system (a wooden construction of piles and timbers that form a cushion between the pier and a vessel). The requested \$119,000 would be used to pay for work to be performed by Port staff, materials and supplies and the rental of equipment. The Port estimates that the \$119,000 will be expended as follows:

Lumber	\$99,200
Hardware	2,800
Debris Removal (Port)	13,000
Equipment Rental	<u>4,000</u>
Total	\$119,000

Ferry Building Renovation Project - \$250,000

This project involves the complete restoration of the historic Ferry Building. The Port advises that the following principles will guide this restoration: (1) transportation will be the primary theme and focus of the building, (2) water-based transportation activities will be increased in the building's surroundings, (3) the ground level of the building will be opened up to encourage public access and visibility to the Bay, (4) the sky lit gallery on the second level of the building will be restored where possible as the principal public area, (5) uses of the building will be a blend of public and commercial, depending on market and financial feasibility and (6) the public nature of the building will be emphasized. The Port advises that the requested \$250,000 would be used to pay for development feasibility analysis and planning for this project. The Port advises that an RFP has been issued by the Port to acquire the necessary consultant services to perform this work. However, according to the Port, a specific contractor has not, as yet, been selected.

PG & E Work at Pier 80 - \$194,575

This project involves Pacific Gas & Electric (PG & E) utility work which must be performed in order to provide upgraded electrical power to the North Container Terminal at Pier 80. This work involves, in part, the undergrounding of the existing overhead wires on the Pier. The Port advises that PG & E is being paid for this work because, pursuant to the State of California Public Utilities Commission Rule 20C, the Port is responsible for paying all costs associated with undergrounding the existing facilities.

Payment towards Debt Service - \$34,281

The Port advises that the current unreserved fund balance in the Port's 1984 Revenue Bond Fund is \$228,856. The Port is proposing to pay \$194,575 for the work to be done by PG & E at Pier 80 from this Fund, which would leave a remaining balance of \$34,281. The Port is proposing to use this remaining \$34,281 to pay debt service on the 1984 Revenue Bond which is due in 1993-94.

Comments:

1. Mr. Ben Kutnick of the Port advises that due to an administrative oversight, the \$250,000 for the Ferry Building was incorrectly included in this supplemental appropriation request. As such, the proposed legislation should be amended to reduce the total amount of the appropriation request by \$250,000 from \$1,336,856 to \$1,086,856.
2. As noted above, the Port has not, as yet, selected the contractors for the Seismic Safety Building Survey (\$200,000), and the Waterfront Land Use Plan (\$469,000). As such, \$669,000 should be placed on reserve pending the Port's submission of contract cost details, including hours and hourly rates where appropriate, and the MBE/WBE status of the contractors. Additionally, as of the writing of this report, the cost details for the expenditure in connection with City Planning services for the Waterfront Land Use Plan, were unavailable. Therefore, \$70,000 should be placed on reserve pending the Port's submission of expenditure details on the City Planning services in connection with the Waterfront Land Use Plan, bringing the total amount to be placed on reserve to \$739,000.
3. The Port has requested that this item be continued to the Budget Committee meeting on April 13, 1994, in order to allow the Port to have additional time to provide information on the

Memo to Budget Committee
April 6, 1994 Budget Committee Meeting

need for planning studies in connection with the Waterfront
Land Use Plan Project.

Recommendation: Continue this item to the Budget Committee meeting on April
13, 1994, as requested by the Port.

Item 8 - File 170-94-5

Department: Port Commission

Item: Resolution approving the issuance of not to exceed \$60 million principal amount of Port Commission Revenue Refunding Bonds and compliance with the provisions of the related indenture; establishing a maximum interest rate therefor; approving an amendment to a Joint Exercise of Powers Agreement with the Redevelopment Agency; approving the obtaining of an opinion from bond counsel as to the validity of the Refunding Bonds; authorizing the Treasurer of the City and County of San Francisco to perform certain actions with respect to the issuance and sale of the Refunding Bonds; authorizing the officers of the City and County of San Francisco to take actions necessary or advisable to consummate the issuance of the Refunding Bonds and the applicability of the proceeds thereof; and ratifying actions previously taken with respect to the Refunding Bonds.

Amount: Not to exceed \$60 million.

Description: The proposed resolution would authorize the Mayor, the Treasurer, and other City officials to take the necessary actions to issue and sell not more than \$60 million in Port Commission Revenue Refunding Bonds in order to refund approximately \$50 million in outstanding bond obligations of the Port Commission, and would ratify previous actions taken by City officials with respect to the proposed bonds. As a condition of issuing the proposed Revenue Refunding Bonds, the Port would be required to realize debt service savings which are at least equal to three percent of the outstanding principal amount of the bonds which would be refunded (see Comment 2).

Under the proposed resolution, the City would agree to comply with all the terms and provisions of the Master Indenture of Trust which governs the bonds. The Master Indenture of Trust establishes the general authority and conditions under which the Port can issue bonds. The existing Master Indenture of Trust is 25 years old and outdated. The Port advises that the new Master Indenture of Trust is consistent with current industry documents and will provide the Port with additional financing flexibility such as permitting the Port to enter into variable rate debt as opposed to fixed rate debt.

In addition, the proposed resolution would authorize an amendment to the City's existing Joint Powers Agreement with the San Francisco Redevelopment Agency. Under the proposed

amended Joint Powers Agreement, the existing Joint Powers Authority (JPA) would be authorized to assist the Port Commission in refunding its outstanding bonds by entering into a Bond Purchase Agreement with the Port Commission for the proposed Revenue Refunding Bonds.

The proposed resolution would also authorize the City Treasurer to obtain a legal opinion concerning the validity of the proposed Revenue Refunding Bonds from Co-Bond Counsel, in order to sell the proposed bonds. According to Mr. Ben Kutnick, Finance Manager for the Port Commission, it is standard practice to obtain a legal opinion from bond counsel prior to a bond issuance to reassure buyers that the bond issuance is valid.

The Port Commission estimates that it could realize annual savings of approximately \$8.6 million in reduced interest costs over the next 15 years as the result of issuing the proposed Revenue Refunding Bonds (see Comment 2).

Comments:

1. The Port reports that it has the following outstanding bond indebtedness which would be refunded from the proceeds of the proposed Revenue Refunding Bonds:

<u>Bond Series</u>	<u>Year</u>	<u>Original Principal Balance</u>	<u>Outstanding Principal Balance</u>
Series A	1969	\$11,900,000	\$5,400,000
Series B	1971	9,000,000	4,500,000
Series C	1984	<u>42,500,000</u>	<u>40,075,000</u>
Total		\$63,400,000	\$49,975,000

2. Under the proposed resolution, the annual interest rate for the bonds could not exceed 12 percent. Mr. Kutnick estimates that, if the proposed bonds were sold at the present time, the Port's actual interest rate would be approximately 6.19 percent. This estimated interest rate is 3.31 percent less than the overall existing interest rate of approximately 9.5 percent which is payable on the existing Port Revenue Bonds which would be refunded.

Mr. Kutnick estimates that, if the proposed refunding bonds are sold at an estimated interest rate of 6.19 percent over a term of 15 years, the Port could realize approximately \$8.6 million in reduced interest costs over the next 15 years by refunding its outstanding bond indebtedness. As previously noted, as a condition of issuing the proposed Revenue Refunding Bonds, the Port would be required to realize debt service savings which are at least equal to three percent of the outstanding principal amount of the bonds which would be refunded. The estimated \$8.6 million in reduced interest costs

BOARD OF SUPERVISORS
BUDGET ANALYST

equals approximately 17.2 percent of the outstanding principal amount of the bonds which would be refunded of \$49,975,000.

The Port estimates that the present value (in constant 1994 dollars) of that \$8.6 million savings would be approximately \$7.6 million. The annual interest savings is estimated to fluctuate from year to year.

3. Mr. Kutnick states that the estimated cost of issuing the proposed Revenue Refunding Bonds, including fees for private bond counsel and financial advisors will be approximately \$1,128,850 as follows:

Bond Counsel	
Fees	\$92,000
Expenses	5,000
Financial Advisor	
Fee	48,000
Expenses	7,000
Printing Documents	10,000
Escrow Fee	15,000
Trustee Fee	15,000
Rating	70,000
Verification Fee	5,000
Underwriters Fees	803,850
Other	<u>58,000</u>
Total	\$1,128,850

Mr. Kutnick indicates that these costs will be paid by the Trustee from the bond proceeds. Mr. Kutnick reports that the Port would use Brown and Wood, a majority firm and Pamela Jue, a City certified WBE firm as bond counsel for the proposed refunding bond issuance. Brown and Wood would receive 65 percent of the \$92,000 budgeted for bond counsel fees or \$59,800 and Pamela Jue would receive 35 percent or \$32,200. Both of these bond counsel firms have a four year contract with the Port.

Similarly, the Port would contract with the joint venture Public Financial Management, a majority firm and Knight Group, a City certified MBE firm, as financial advisors for the proposed refunding bond issuance. Public Financial Management would receive 65 percent of the \$48,000 budgeted for financial advisor fees or \$31,200 and Knight Group would receive 35 percent or \$16,800. This joint venture also has a four year contract with the Port to provide financial advisor services.

4. As previously noted, the proposed resolution would authorize the Port to issue not more than \$60 million in Revenue Refunding Bonds. The Port intends to issue approximately \$51.1 million in Revenue Refunding Bonds: \$49,975,000 would be used to refund the Port's outstanding bond obligations and approximately \$1,128,850 would fund bond issuance costs. The actual Revenue Refunding Bond issuance would depend on the interest rate at the time of the issuance and the actual issuance costs.

Recommendation: Approve the proposed resolution.

Item 9 - File 229-94-1

Note: This item was amended and continued from the Budget Committee meeting of March 30, 1994. The following report reflects the amended version of the proposed ordinance.

Department: Department of Electricity and Telecommunications (DET)

Item: Ordinance:

(1) directing the General Manager of the Department of Electricity and Telecommunications to establish a new application procedure for the issuance of permits for connecting auxiliary fire alarm systems to the municipal alarm system.

(2) directing the General Manager of the Department of Electricity and Telecommunications to review all submitted applications for connection to the municipal fire alarm system.

(3) directing the General Manager of the Department of Electricity and Telecommunications to prepare a new form of permit for connecting to the municipal fire alarm system.

(4) directing the General Manager of the Department of Electricity and Telecommunications to execute and issue permits for connecting to the municipal fire alarm system. This will increase the existing monthly fee of \$2.50 (\$30 annually) to a sliding scale fee of \$11.25, \$15.00 or \$18.75 per month (\$135, \$180 or \$225 annually) depending on the number of devices within a building that detect fire or smoke. These fees cover DET's costs of maintaining each fire alarm connection.

(5) directing the General Manager of the Department of Electricity and Telecommunications to charge an annual sliding scale connection fee of \$135, \$180 or \$225 for each connection to cover DET's maintenance costs, and to charge a fee to cover the costs incurred by the City to initially connect an auxiliary fire alarm system to the City's fire alarm system.

(6) revoking all existing permits effective 120 days from the passage of this ordinance.

(7) directing the General Manager of the Department of Electricity and Telecommunications to notify existing permittees of revocation of their permits.

Description: The City's Charter Section 3.510 permits any person, firm, or corporation to have an auxiliary fire alarm system connected to

the City's fire alarm system for fire protection under certain terms and conditions. The terms and conditions for such connection are to be established by the Board of Supervisors upon recommendation by the General Manager of the Department of Electricity and Telecommunications (General Manager). The proposed ordinance would revise the terms and conditions under which a person, firm, or corporation may connect its auxiliary fire alarm system to the City's fire alarm system as recommended by the General Manager. These terms and conditions are as follows:

Applicant for Permit: The General Manager would establish a new application procedure to issue permits and connecting auxiliary fire alarm systems to the City's fire alarm system. The new application would require the following information:

- (1) Name, address and telephone number of applicant and contact.
- (2) Contact person for applicant.
- (3) Address, permitted use of, and owner's name of the building where the proposed auxiliary fire alarm would be installed and connected to the City's fire alarm system.
- (4) The type and location of the fire alarm system that the applicant intends to install.
- (5) If the applicant is not the owner, then a letter from the building owner would be required stating that the applicant is authorized to act as the owner's agent for purposes of connecting the auxiliary fire alarm system.

Review of Application: The General Manager would review all submitted applications and would have the right to approve or disapprove any submitted application.

Permit Form: In consultation with the City Attorney, the General Manager would prepare a permit form for connecting to the City's fire alarm system. This form would include various terms and conditions such as the annual fee, an agreement to maintain insurance, and a security deposit of at least \$10,000.

Monthly Fee and Other Fees: An annual sliding scale fee of \$135, \$180 or \$225 would be charged for each connection to the City's fire alarm system. These \$135 to \$225 annual fees are \$105 to \$195 or 350 to 650 percent more than the \$30 annual

fee which the City currently charges. In addition to the annual connection fee, the General Manager would be permitted to charge a fee to cover the costs incurred by the City to connect an auxiliary fire alarm system to the City's fire alarm system.

Revocation of Permits: All existing permits covered by the proposed ordinance would be revoked effective 120 days after passage of the proposed ordinance. The General Manager would be directed to send a written notice to the existing permit holders notifying them of this revocation and informing them of the new procedure to obtain new permits.

Comments:

1. There are currently five fire alarm companies in San Francisco that have their auxiliary fire alarm systems connected to the City's fire alarm system. These companies are: California Fire Security; Simplex Time Recorder Company; Triple S Company; Pacific Auxiliary Fire Alarm Company; and Pacific Fire Extinguisher Company. These five companies have a total of 84 fire alarm auxiliary fire alarm connections to the City's fire alarm system. Thus, the City is currently collecting a total of \$2,520 (\$30 annual fee x 84 connections) per year from these companies. Under the proposed ordinance and based on the five companies that already have connections, as described below the proposed annual sliding scale connection fee of \$135 to \$180 would generate \$15,120 annual revenue. These revenues would be deposited into the City's General Fund.

To ensure that DET recovers its costs of \$15,120, as described below, the proposed sliding scale connection fee schedule provides for a 25 percent discount for buildings with a small number of devices and a 25 percent increase for buildings with a large number of devices.

Proposed Sliding Scale Connection Fee Schedule

Number of Devices	Estimated Number of Connections	Proposed Fee Scale	Anticipated Revenue
1-20	32	\$135	\$4,320
21-100	20	180	3,600
Over 100	<u>32</u>	225	<u>7,200</u>
Total	84		\$15,120

2. According to Mr. Fred Weiner of the DET, the DET is proposing to increase the annual connection fee by \$105 to \$195, from \$30 to \$135 to \$225, because the existing fee of \$30 has been in effect for over 50 years and is not equivalent to the

cost of maintaining the City's fire alarm connections. DET's annual costs to maintain the City's fire alarm system are \$733,000. According to DET, there are 2,037 fire alarm boxes in the City's system and each connection to a box should share in paying one-half of the maintenance costs for the box. Each auxiliary fire alarm system connects to one fire alarm box. The full maintenance cost for each box is approximately \$360 per year and one-half is \$180. However, to establish a sliding scale connection fee schedule and still recover its costs, buildings with over 100 devices that detect fire or smoke would pay \$225 or approximately 63 percent of the maintenance costs for the box. Similarly, buildings with 1 to 20 devices will pay \$135 or approximately 38 percent of the maintenance costs for the box. Buildings with 21 to 100 devices will pay \$180 or one-half of the maintenance costs for the box.

3. The City's Charter Section 3.510 requires the DET to establish fees for connecting to the City's fire alarm system based on a fair compensation for such services.

4. Ms. Julia Friedlander of the City Attorney's Office advises that she is evaluating whether a sliding scale connection fee is consistent with State law. Ms. Friedlander reports that she will be available to report at the April 6, 1994 Budget Committee meeting regarding this issue.

5. Mr. Weiner advises that the DET intends to amend the proposed ordinance to provide exemptions to the proposed annual connection fee to owners of old or vintage fire alarm systems. Mr. Weiner reports that the DET will present such an amendment at the April 6, 1994 Budget Committee meeting.

6. Mr. Weiner reports that the DET has not yet determined what its actual costs are to initially connect an auxiliary fire alarm system to the City's fire alarm system. However, Mr. Weiner estimates that the actual costs would be less than \$5,000 per connection to the City's fire alarm system and an average cost of approximately \$2,500 per connection. Mr. Weiner advises that, in addition to the annual connection fee, DET would determine its costs at the time of each requested connection and bill the company or individual accordingly. Mr. Weiner reports that DET does not have an estimate of the number of individuals or additional companies that would request a connection to the City's fire alarm system.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

BOARD OF SUPERVISORS
BUDGET ANALYST

Items 10 and 11 - Files 101-93-104 and 102-93-30

Department: Department of Electricity and Telecommunications (DET)

Items: *File 101-93-104:* Ordinance appropriating \$272,054 for permanent salaries, mandatory fringe benefits, overhead, non-personal services, materials and supplies and services of other departments for the development of the Citywide radio system, appropriating \$145,539 to the Capital Reserve Fund, and rescinding various capital improvement projects at the Department of Public Works.

File 102-93-30: Ordinance amending the Annual Salary Ordinance reflecting the addition of five new "L" limited duration positions in the Department of Electricity and Telecommunications.

Amount: \$272,054

Source of Funds: Rescission of surplus monies from various completed Capital Improvement Projects

Description: In November of 1993, the electorate approved Proposition H which authorized the City to enter into a lease financing arrangement of up to \$50 million with the City and County of San Francisco Finance Corporation, a non-profit corporation, to acquire an integrated radio communications system to be used by several City departments, including the Police Department, the Fire Department, the Department of Parking and Traffic, and the Public Health Department. To lease finance an integrated radio communications system, the San Francisco Finance Corporation will issue tax exempt revenue bonds of up to \$50 million to purchase the system. The City will then lease the system from the Corporation. The City's lease payments are used to repay the bond principal plus interest. Each department that uses the communication system will pay a portion of the lease payments depending on its use of the system.

The \$50 million will be used to (1) finance the lease/purchase of a City-wide radio communications system and related equipment, and (2) pay for design costs and bond administration costs incurred by the Department of Electricity and Telecommunications (DET). DET estimates that of the \$50 million, approximately \$37 million will be used to purchase equipment. The radio communications system will consist of all equipment necessary to complete the radio wave transmission and reception of information between two points, whether they are mobile or stationary.

The City has decided to purchase an 800 megahertz communication system under this lease financing arrangement. This system will integrate the radio communications of every City agency that uses a radio dispatch system except Muni. The proposed supplemental appropriation (File 101-93-104) would fund the start-up staffing and administrative costs associated with the new 800 megahertz communication system, such as project administration, design, and developing lease financing documents and payment schedules. The proposed amendment to the Annual Salary Ordinance would add five "L" (limited duration) positions to the DET (File 102-93-30).

The following budget is for the period April 15, 1994 through June 30, 1994 (five pay periods).

Budget:

<u>Personnel</u>	<u>FTE</u>	<u>Bi-weekly Pay at Bottom Step</u>	<u>Total Annual Salaries</u>	<u>Amount 4/15/94 - 6/30/94</u>
7367 Radio Technician	4.0	\$2,043	\$213,288	\$40,860
1823 Senior Admin. Analyst	1.0	1,835	47,894	9,175
Subtotal			\$261,182	\$50,035
Fringe Benefits @12%	—			6,000
Subtotal New Positions	5.0			\$56,035
<u>Reimbursement to DET for Existing Positions (See Comment No. 2)</u>				
7367 Radio Technician	1.66		\$74,380	
Fringe Benefits @21%			15,620	
				\$90,000
Subtotal Personnel Costs	6.66			\$146,035

Other Costs

Consultant Engineering Firm	\$40,000
Rent (Office Trailer)	9,000
Materials and Supplies	20,000
Department of Real Estate (based on 62.5 hours @ \$80 per hour)	5,000
<i>Negotiate Leases of private property to locate communication antennas throughout the City as part of the 800 megahertz communication system.</i>	
City Attorney (based on 108.7 hours @ \$92 per hour)	10,000
<i>Review lease financing documents and other contracts.</i>	
Departmental Overhead	<u>42,019</u>
Total	\$272,054

Comments:

1. The proposed supplemental appropriation includes \$40,000 for a consulting engineering firm to assist the DET employees by providing independent analysis and assessment of completeness of the scope of work, technical design requirements, equipment specifications, project scheduling, installation specifications, etc. According to Mr. Fred Weiner of the DET, an engineering firm has not yet been selected. As such, the \$40,000 budgeted for Professional Services should be placed on reserve pending selection of an engineering firm, the identification of its MBE/WBE status and the contract cost details.
2. The proposed supplemental appropriation includes \$90,000 to reimburse DET for costs incurred by using 1.66 FTE of existing DET staff during FY 1993-94 to work on the 800 megahertz communication system project before hiring the proposed 5 FTE project staff. As a result, the proposed ordinance should be amended to provide retroactive approval. According to Mr. Fred Weiner of the DET, these 1.66 FTE existing DET staff normally work on other telecommunications related projects that have been deferred as a result of working on the 800 megahertz communication system. Mr. Weiner advises that after the DET hires the proposed 5 FTE project staff, these 1.66 FTE staff will return to their previous projects.

3. As noted above, the proposed ordinance includes funding for five pay periods beginning April 15, 1994. However, Mr. Weiner reports that the DET would not hire the five staff persons until May 1, 1994. As such, the funds included for the five positions should be for four pay periods instead of for five pay periods. Based on four pay periods, salaries and fringe benefits would be \$44,831 as follows:

7367 Radio Technician	4.0	\$32,688
1823 Senior		
Admin. Analyst	1.0	<u>7,340</u>
Subtotal		40,028
Fringe Benefits @12%	—	<u>4,803</u>
Subtotal Personnel	5.0	\$44,831

As a result, the proposed supplemental appropriation should be reduced by \$11,204 (\$56,035 - \$44,831 = \$11,204).

4. In addition, Mr. Weiner reports that the \$42,019 budgeted for departmental overhead should be \$27,219 or approximately 68 percent of salary costs of \$40,028. Thus, the proposed supplemental appropriation should be reduced by an additional \$14,800 (\$42,019 less \$27,219 = \$14,800) for a total reduction of \$26,004, from \$272,054 to \$246,050 (\$11,204 reduction in salaries and fringe benefits plus \$14,800 reduction in departmental overhead).

5. As previously noted, the funding for the proposed supplemental appropriation would come from rescinding surplus monies from various completed capital improvement projects that total \$417,593. The difference between the proposed supplemental appropriation request of \$272,054 and the total capital improvement project monies to be rescinded of \$417,593, or \$145,539 would be appropriated to the Capital Reserve Fund which would be subject to future appropriation approval by the Board of Supervisors. According to Mr. Steven Nelson of the CAO's Office, if the Board of Supervisors reduces the proposed supplemental appropriation by \$26,004 as recommended by the Budget Analyst, those funds should also be appropriated to the Capital Reserve Fund. Mr. John Madden of the Controller's Office reports that at the end of the fiscal year, unspent monies from the Capital Reserve Fund revert to the General Fund for reappropriation.

6. Mr. Weiner reports that an as yet undetermined portion of the \$50 million in revenue bonds will be sold in June, 1994 for the first phase of the project. Mr. Weiner advises that prior to the sale of the bonds, the DET needs to fund the up-front design and bond administration costs to develop precise cost estimates in order to properly size and schedule the bond financing, negotiate an equipment vendor contract, and begin implementation planning. The revenue bond proceeds would reimburse the proposed supplemental of \$272,054, which is consistent with the January, 1994 legislation of the Board of Supervisors declaring its intent to reimburse start-up costs associated with this project from the revenue bond proceeds when the bonds are sold (Resolution 31-94, File 170-93-11).

7. All of the five new positions are to be funded with lease financing revenue bond monies. In addition, since these five positions are limited duration ("L") positions, these positions would be deleted after the 800 megahertz communication system has been installed which, Mr. Weiner reports, will be in approximately three years. The 1.66 FTE of existing DET staff for which the proposed supplemental appropriation would reimburse DET are permanent positions. As previously noted, these 1.66 FTE will not be working on the 800 megahertz communication system once the DET hires the proposed five positions.

8. The Charter Amendment that authorized the City to enter into the lease financing arrangement did not specifically address administrative costs for the Citywide communication system. However, Mr. Weiner advises that DET is unable to provide all of the administrative support required to implement the Citywide communication system with existing staff. As such, the DET is requesting five new limited duration positions expected to be needed for three years in order to support the Citywide communication system.

9. Attached is a detailed description submitted by DET of the duties which the five positions will be responsible for to implement the Citywide communication system.

Recommendations: Amend the proposed ordinance (File 101-93-104) to:

1. Reduce the appropriation by \$26,004, from \$272,054 to \$246,050 as discussed in Comments 3 and 4 above.
2. Reserve the \$40,000 budgeted for Professional Services pending selection of an engineering firm and identification of its MBE/WBE status.

3. Amend the proposed ordinance to provide approval retroactively.
4. Approve the proposed ordinance, as amended.
5. Approve the proposed Annual Salary Ordinance (File 102-93-30).

Duty Descriptions for the Five Limited Duration Positions

Four (4) 7367 Radio Technicians will work under the direct supervision of the Project Manager (DET's Deputy General Manager) to assist in preparation of specifications, contractor oversight, transition planning management, and supervision of installations in all client departments. These positions will play key roles in coordinating with client departments to ensure department communication specifications are met including monitoring equipment and contractor's performance and ensuring that there is no interruption of existing services during installation.

One (1) 1823 Senior Administrative Analyst will work closely with the Deputy General Manager in providing financial, budget, and equipment inventory analysis for the Project. The position will be responsible for developing sophisticated automated models for managing and monitoring the project budget, tracking project fund accounts, making payments to vendors, working with the financing team to determine financial strategies and lease payment schedules involving the lease revenue bonds, maintaining equipment shipping inventories, and documenting movement of fixed equipment to installation sites. The position will maintain an up-to-date accounting and inventory information and will verify that funds are available for encumbrances before any equipment order. The position will be responsible for tracking, accepting, and verifying deliverables. In addition, this position will develop and implement an automated system using a personal computer to perform these activities and provide detailed project management reports.

Items 12, 13 and 14 - File 101-90-127.6, 101-91-74.6 and 101-92-74.1

Department: Department of Public Works (DPW).

Items: File 101-90-127.6 - Release of reserved funds for the Department of Public Works in the amount of \$600,000 for the Civic Auditorium Seismic Upgrade and Earthquake Repair Project.

File 101-91-74.6 - Release of reserved funds for the Department of Public Works in the amount of \$9,600,000 for the Civic Auditorium Seismic Upgrade and Earthquake Repair Project.

File 101-92-74.1 - Release of reserved funds for the Department of Public Works in the amount of \$12,033,000 for the Civic Auditorium Seismic Upgrade and Earthquake Repair Project.

Amount: \$22,233,000

Source of Funds: Earthquake Safety, Phase II, Bond Program:

\$ 600,000 - Second Bond Sale (June, 1991); File 101-90-127.6
9,600,000 - Third Bond Sale (June, 1992); File 101-91-74.6
12,033,000 - Fourth Bond Sale (June, 1993); File 101-92-74.1
\$22,233,000

Description: The Earthquake Safety Program, Phase II, second, third and fourth bond sale appropriation requests totaling \$150,130,000 were previously approved by the Board of Supervisors (Ordinances 259-91, 194-92 and 188-93). At the time of the appropriations, \$100,323,398 for contractual services was placed on reserve pending selection of contractors and determination of their MBE/WBE status.

Of the \$100,323,398 that was reserved, \$22,233,000 was intended for the Civic Auditorium Seismic Upgrade and Earthquake Repair Project, which would complete the seismic upgrade, earthquake repairs, asbestos abatement and disabled access modifications proposed in the bond program.

DPW is now requesting that the entire reserved amount of \$22,233,000 be released since the Civic Auditorium Seismic Upgrade and Earthquake Repair Project has been put out to bid and awarded to S. J. Amoroso Construction Co., Inc.

BOARD OF SUPERVISORS
BUDGET ANALYST

The following bids were received on this project. The low bidder has been approved by the Human Rights Commission and all subcontracting goals have been met.

S. J. Amoroso Construction Co., Inc.	\$21,736,000
Nibbi (LBE) /Lathrop	22,717,500
PCL Construction Services, Inc.	22,870,000
Tutor-Saliba Corporation - California	23,250,000
N. L. Barnes Construction Co., Inc. (LBE)	23,708,000
Dillingham Construction (LBE)	23,872,000

None of the above firms are MBE or WBE firms.

The project budget includes the following costs:

Construction Contract with S. J. Amoroso Construction Co., Inc.	\$21,736,000
Less: Portion of Contract Pertaining to Convention Facilities Work	<u>(711,000)</u>
Net Cost of Amoroso Contract for Work on this Project	\$21,025,000
 Additional Construction (See Comment No. 3)	 <u>1,604,303</u>
Subtotal Construction Costs	\$22,629,303
 Construction Contingency (10%)	 2,262,930
Engineering Design and Construction Services (See Comment No. 4)	<u>7,131,160</u>
TOTAL FUNDING REQUIRED	<u><u>\$32,023,393</u></u>

SOURCE OF FUNDS:

Proposed Release of Reserved Funds	\$22,233,000
Previously Appropriated Earthquake Safety, Phase II, Bond Funds for the Civic Auditorium Seismic Upgrade and Earthquake Repair Project	<u>4,367,914</u>
Subtotal Earthquake Safety, Phase II, Bond Proceeds Earmarked for Civic Auditorium Seismic Upgrade and Earthquake Repair Project	\$26,600,914
 Projected Shortfall in Funding Sources (See Comment No. 2 below)	 <u>5,422,479</u>
	<u><u>\$32,023,393</u></u>

Comments:

1. The proposed release of \$22,233,000 of reserved funds would fund the Amoroso contract (\$21,025,000) that has been awarded and \$1,208,000 for contingencies, which is a portion of the ten percent construction contingency factor. However, the proposed release is not sufficient to cover the entire contingency factor or the engineering design and construction services needed to oversee this project.

2. Mr. Steve Nelson of the Office of the Chief Administrative Officer (CAO) reports that, as of the writing of this report, there is a projected funding shortfall of \$5,422,479. According to Mr. Nelson, this shortfall is because project cost estimates have increased since the time the original cost estimates were prepared in January, 1990, approximately four years ago. The increase in project cost is primarily due to additional structural work, increased design and construction management fees (to outside contractors), and the addition of the Brooks Hall Exit Stairs Project.

3. Additional Construction costs, in the amount of \$1,604,303, represent costs primarily associated with the Brooks Hall Exit Stairs Project. This project would create two new stairway exits for Brooks Hall and provide ADA-related improvements to the underground ramp that currently links Brooks Hall and Civic Auditorium. The source of funds for this project is currently not available, as explained in Comment No. 2.

4. Engineering Design and Construction Services project costs, in the amount of \$7,131,160, consist of approximately \$4 million of planning and design costs and approximately \$3 million for construction services, which will primarily be provided by outside consultants. The source of funds for these remaining services is currently not available, as explained in Comment No. 2 above.

5. In addition, Mr. Steve Nelson of the Office of the Chief Administrative Officer (CAO) reports that there is currently an overall shortfall in the amount of funds available from the Earthquake Safety, Phase II, Bond Program to complete the projects currently being funded under this program, including the Civic Auditorium Seismic Upgrade and Earthquake Repair Project. As such, the CAO plans to present to the Budget Committee, at the April 6, 1994 meeting, recommendations that certain remaining bond fund proceeds be redistributed among the existing projects so that the maximum number of projects can be completed. The Civic Auditorium Seismic Upgrade and Earthquake Repair Project may be one of the projects for which the CAO recommends some of these redistributed funds and as such, the funding shortfall for this

BOARD OF SUPERVISORS
BUDGET ANALYST

project may be provided. However, as of the writing of this report, the specific funding redistribution details were not available.

6. Given that the source of funding for \$5,422,479 of the proposed Civic Auditorium Seismic Upgrade Project has not been identified and that the CAO will be available to provide recommendations regarding the remaining bond fund proceeds to be redistributed among the existing projects, the Budget Analyst recommends that these items be continued for one week.

Recommendation: Continue the requested release of reserves until the April 13, 1994 Budget Committee meeting.

Items 15 and 16 - Files 28-94-8 and 28-94-10

Department: Department of Public Works (DPW)

Item: Item 15, File 28-94-8 - Resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to replace a structurally inadequate sewer in Jackson Street between Grant Avenue and Stockton Street.

Item 16, File 28-94-10 - Resolution authorizing the Director of the Department of Public Works to take necessary measures to protect the health, welfare and property of the citizens of San Francisco by performing the necessary work to replace a structurally inadequate sewer in Folsom Street between Sixth Street and Fifth Street.

Amount: \$186,275 - File 28-94-8
189,300 - File 28-94-10
\$375,575 Total

Source of Funds: Sewer Service Charge, Repair and Replacement Sewer Fund

Description: Item 15, File 28-94-8 - The DPW reports that on November 16, 1993, the Bureau of Street and Sewer Repair (BSSR) notified the City Engineer that the wall and invert of an existing three feet by five feet brick sewer in Jackson Street between Grant Avenue and Stockton Street was structurally failing. The BSSR requested that the City Engineer's Office authorize an emergency contract to replace this sewer.

The Hydraulics Section of the City Engineer's Office developed a design to replace approximately 480 feet of the sewer with a new 30-inch diameter sewer pipe.

In accordance with Section 6.30 of the Administrative Code, the DPW initiated an expedited contracting procedure in order to retain a contractor to replace the sewer. The DPW selected the lowest bidder, D'Arcy and Harty Construction and San Luis Construction, Joint Venture, to replace the sewer. While D'Arcy and Harty Construction is not an MBE or WBE firm, San Luis Construction is an MBE firm.

The DPW advises that the sewer replacement work should begin on April 11, 1994, and should be completed by May 31, 1994. The DPW estimates that the cost to replace this sewer will total \$186,275.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 16, File 28-94-10 - The DPW reports that on January 12, 1994, the Bureau of Street and Sewer Repair (BSSR) notified the City Engineer that an existing 12-inch diameter sewer pipe in Folsom Street between Sixth and Fifth Streets was plugged. The BSSR requested that the City Engineer's Office authorize a class "A" emergency contract to replace the sewer. A class "A" emergency is one which threatens the immediate health, welfare and property of citizens and which must be repaired without delay. However, since there were no cracked or collapsed sections in the roadway above the sewer, the Hydraulics Section of the City Engineer's Office decided to authorize a class "B" emergency contract. A class "B" emergency is one which does not cause immediate danger but which must be fixed relatively quickly in order to prevent a situation of immediate danger.

On March 8, 1994, prior to the awarding of a contract, the Hydraulics Section received a complaint regarding the side sewer at the property at 911 Folsom Street. After investigating the complaint, the Hydraulics Section found that the side sewer had collapsed, causing sewage backup through the sewer vent, and upgraded the contract to a class "A" emergency on March 9, 1994.

In accordance with Section 6.30 of the Administrative Code, the DPW initiated an expedited contracting procedure in order to retain a contractor to replace the sewer. The DPW selected the lowest bidder, Shaw Pipelines, to replace the sewer. Shaw Pipelines is not an MBE or WBE firm.

According to the DPW, the repair work on this damaged sewer has begun and is expected to be completed by May 1, 1994. The repair work consists of replacing 825 feet of the existing 12-inch diameter pipe with a 15-inch diameter sewer pipe. Because the DPW suspects that the soil beneath the roadway where the sewer is located may have been contaminated, additional funds are needed for the sewer replacement. The DPW now estimates that the cost to repair this sewer will total \$250,000, or \$60,700 more than the original estimated amount of \$189,300. As such, the proposed legislation should be amended to delete the amount of \$189,300 and add \$250,000 instead, for a total of \$436,275 in sewer replacement costs.

Comment:

Mr. Robert Hesse of the DPW's Financial Management and Administration Division reports that the Sewer Service Charge revenues are the source of funding for emergency replacement of these two sewers. According to Mr. Hesse, these funds were appropriated and allocated to the Repair and Replacement Sewer Fund in the DPW's FY 1993-94 budget for the purpose

of funding emergency repair and replacement work. The proposed resolutions would authorize the DPW to take emergency measures in order to implement the necessary sewer replacement work.

- Recommendation:**
1. Amend the proposed resolution (File 28-94-10) to delete the amount of \$189,300 and add \$250,000 instead and approve the proposed resolution, as amended.
 2. Approve the other proposed resolution (File 28-94-8).

Item 17 - File 31-94-1

- Department:** Police Department (SFPD)
- Item:** Resolution approving the immediate filling of six vacated Q60 Lieutenant positions and one Q80 Captain position in order that the SFPD can comply with a Court Order concerning the selection procedure for the Q60 Lieutenant Examination Eligible List.
- Amount:** \$213,715. Although this amount would be required to immediately fill the seven positions for the remainder of the 1993-94 Fiscal Year, this expense does not represent an incremental cost to the City (see comment 2).
- Source of Funds:** The Controller has certified that the funds are available from existing SFPD appropriations. No supplemental appropriation would be required for this purpose.
- Description:**
1. Seven Police Department employees, including six Q60 Lieutenants and one Q80 Captain, have recently retired. The Police Department wishes to immediately replace these positions. However, since these retired employees are entitled to receive a lump sum payment for up to six months of accumulated sick leave as well as their vacation pay, Section 10 Subsection 1 of the Annual Appropriation Ordinance precludes the immediate filling of these positions unless the Board of Supervisors approves this proposed resolution.
 2. On December 8, 1993, the United States District Court issued an order finding that the Q60 Lieutenant examination administered in April, 1993 was a valid examination under Federal law and the Police Department Consent Decree.
 3. A condition of the Federal Court order was that the City would make a minimum of 35 permanent appointments upon the final adoption of the eligible list by the Civil Service Commission, including the proposed seven positions. This matter will be calendared before the Civil Service Commission in late April or early May, 1994. The reason for the delay is that the Civil Service Commission is currently reviewing individual protests of the exam and cannot predict when these protests will be finally resolved.
 4. The SFPD currently has 28 Lieutenant positions which are filled on a temporary basis and available for permanent appointments.

5. In addition to the 28 Lieutenant positions available for permanent appointment, the SFPD would, under this proposed resolution, fill six additional Lieutenant positions and one Captain position. The Captain position would be filled at a lower level by a Lieutenant. Unless this proposed resolution is approved, which would authorize the immediate filling of these seven positions, the SFPD could not otherwise make the permanent Lieutenant appointments until the approximately six-month period of the lump sum sick leave and vacation payments for the recently retired incumbents has elapsed.

Comments:

1. The estimated \$213,715 expenditure for immediately filling these seven positions was based on the seven Lieutenants' position salaries and fringe benefits for the remainder of the fiscal year and an expected start date of April 4, 1994 for approval by the Civil Service Commission. However, this matter has not been calendared for the April 4, 1994 meeting of the Civil Service Commission. The earliest possible approval by the Civil Service Commission is therefore April 18, 1994. Based on a starting date of May 2, 1994 for these positions, the expenditure would be approximately \$178,000.

2. Because of "*like work - like pay*" provisions of the Police Memorandum of Understanding, costs are currently being incurred to temporarily assign lower-ranked officers to Lieutenant duties. Therefore, the expenditure for immediately filling the seven Lieutenant positions does not represent an incremental cost to the City.

Recommendation: Approve the proposed resolution.

Item 18 - File 97-94-18

Department: Department of Social Services (DSS)

Item: Ordinance amending the San Francisco Administrative Code by amending Section 20.57 (General Assistance Ordinance) relating to the computation of aid grants.

Description: The proposed ordinance would amend the Administrative Code in order to suspend a scheduled cost of living adjustment (COLA) for General Assistance clients for 1994-95. The maximum General Assistance grant amount is currently \$345 per month for a single individual (the grant is higher for families, depending on the number of eligible individuals in the household). If the proposed ordinance is adopted, the maximum General Assistance grant of \$345 for a single individual would not increase in 1994-95, but would remain at its current level of \$345 per month.

Under existing provisions of the City's Administrative Code, the General Assistance grant is currently scheduled to increase on July 1, 1994, based on the percent change in the Minimum Basic Standard of Adequate Care which is adopted annually by the State Legislature in the Aid to Families with Dependent Children (AFDC) program (see Comment 1).

The maximum monthly General Assistance grant amounts under existing provisions of the Administrative Code are as follows:

<u>No. of Eligible Persons in Same Family</u>	<u>Current Monthly Grant Amount</u>
Single Individual	\$ 345
2 Persons	567
3 Persons	703
4 Persons	834
5 Persons	952
6 Persons	1,070
7 Persons	1,175
8 Persons	1,281
9 Persons	1,388
10 Persons	1,508

The General Assistance grant level was last increased on July 1, 1992, when the maximum monthly grant amount for a single individual was increased by \$4.00, or approximately 1.2 percent, from \$341 to \$345. In April, 1993, the Board of

Supervisors approved similar legislation to suspend the GA COLA for the current 1993-94 fiscal year.

Comments:

1. According to Ms. Sally Kipper, Assistant General Manager of DSS, the City's Administrative Code pertaining to the GA program ties the GA grant to the State's Minimum Basic Standard of Adequate Care (MBSAC), which is calculated as 70 percent of the California Necessities Index (CNI). Ms. Kipper reports that, without action to suspend the COLA, General Assistance grant levels will increase automatically on July 1, 1994 in an amount equal to the percentage increase or decrease in the MBSAC for 1994-95.

Ms. Kipper advises that, in previous years, the State has established grant amounts in the AFDC program which were also based on the MBSAC. However, Ms. Kipper states that AFDC and SSI (Social Security Income) COLAs have been suspended by the State Legislature for a five year period, beginning July 1, 1990 and ending June 30, 1995. In addition to suspending AFDC cost of living adjustments, Ms. Kipper reports that the State Legislature has also reduced the AFDC grant amount by approximately 12.5 percent since July 1, 1990, and that the Governor has proposed a further decrease of 10 percent in the AFDC grant level for 1994-95. Ms. Kipper reports that the 1994-95 AFDC grant would be reduced by an additional 15 percent for families receiving assistance for more than six months, under the Governor's proposal.

Therefore, it is unlikely that the State will adjust AFDC payments in 1994-95 based on the change in the MBSAC, since (1) COLAs have been suspended by the State Legislature until June 30, 1995, and (2) the Governor has proposed a decrease of 10 to 25 percent in the AFDC grant level for 1994-95.

Ms. Kipper reports that because GA programs differ from county to county, and each county is able to develop a program to suit its own needs, many counties do not have GA program COLA provisions that are automatically tied to the MBSAC, as San Francisco does. Ms. Kipper advises that some counties tie their GA grants to the dollar value of the State's AFDC grants, which has resulted in GA grant reductions. Ms. Kipper reports that Los Angeles County suspended its GA COLA for a five year period of time, that San Diego County has suspended its GA COLA beginning in 1988-89, and that Alameda County has suspended its GA COLA beginning in 1989-90. Ms. Kipper states that, to her knowledge, no California counties have increased the GA grant level over the past two to three years, and the average monthly grant level for a single individual among the largest California counties is currently \$294 as

compared to the present and proposed San Francisco grant level of \$345.

2. Between 1992-93 and 1993-94, the MBSAC increased approximately 2 percent, according to DSS. Ms. Kipper estimates that the increase in the MBSAC for 1994-95, which would be used to determine the cost of living adjustment in the GA grant (unless the COLA is suspended pursuant to the proposed ordinance) would also be approximately 2 percent. If the State's MBSAC were, in fact, to increase by 2 percent for 1994-95, the maximum GA grant for a single individual in 1994-95 would increase by 2 percent, or \$6.90, from the current monthly grant level of \$345 to \$351.90. DSS estimates that such a COLA would result in increased GA expenditures in 1994-95 of approximately \$1 million.

In summary, approval of the proposed ordinance would result in suspending the scheduled cost of living adjustment for GA recipients for Fiscal Year 1994-95, which DSS estimates would be approximately 2 percent, in order to realize General Fund savings which are estimated by DSS at approximately \$1 million for Fiscal Year 1994-95. Approval of this proposed ordinance would be consistent with the Board's approval of similar legislation for the current Fiscal Year of 1993-94.

Recommendation: Approval of the proposed ordinance to suspend the 1994-95 cost of living adjustment for GA recipients is a policy matter for the Board of Supervisors.

Item 19 - File 170-94-4

Department: Chief Administrative Officer/Redevelopment Agency

Item: Ordinance approving and authorizing the execution and delivery of the form of the 1994 Project Lease between the City and the Redevelopment Agency relating to a certain portion of the George R. Moscone Convention Center; authorizing the Mayor to make any necessary or advisable changes to the 1994 Project Lease; approving the issuance of the Redevelopment Agency Lease Revenue Bonds, Series 1994 (George R. Moscone Convention Center); authorizing the filing of a validation action; authorizing the CAO, the Mayor, the Clerk of the Board and any other officials of the City to take any necessary or advisable actions in connection with the execution of the Project Lease, the authorization, issuance, sale, and delivery of the bonds and certain related matters; and ratifying actions previously taken.

Amount: Not to exceed \$60 million.

Description: The San Francisco Redevelopment Agency (SFRA), which owns and operates the Moscone Convention Center, leases the Moscone Center to the City's Department of Convention Facilities Management under the terms of a 1991 Project Lease between the City and the Redevelopment Agency. According to the Chief Administrative Officer (CAO), the City currently appropriates approximately \$8.88 million annually for rental payments to the SFRA under the terms of the current Moscone Center Project Lease between the City and the SFRA.

In 1991, the SFRA issued \$60.5 million in Refunding Lease Revenue bonds for Moscone Convention Center, of which \$49.5 is currently outstanding, according to the CAO. The SFRA uses the City's \$8.88 million annual rental payments for Moscone Center to pay the debt service on the 1991 Refunding Lease Revenue Bonds. These existing bonds are currently scheduled to be fully retired on October 1, 2001.

In order to finance additional capital projects at Moscone Center in the Yerba Buena Redevelopment Project, the Chief Administrative Officer and the Redevelopment Agency are now proposing to refinance and restructure the 1991 Lease Revenue Bonds, by (1) issuing Lease Revenue Bonds (Series 1994), which are the subject of the proposed ordinance and (2) proposing in the future to issue Hotel Tax Bonds (see letter from the CAO-Attachment 1). However, these Hotel Tax Bonds are not a subject of the proposed ordinance.

BOARD OF SUPERVISORS
BUDGET ANALYST

As a result of the proposed refinancing of the 1991 bonds, the CAO reports that the City and the Redevelopment Agency would be required to terminate their existing Project Lease, and therefore enter into a new Project Lease between the City and the SFRA for the City's use of the Moscone Convention Center.

The proposed ordinance would (1) approve and authorize a new Project Lease between the City and the SFRA for the City's use of the Moscone Convention Center, which is owned by the SFRA; (2) approve the issuance by the SFRA of Lease Revenue Bonds, Series 1994 (George R. Moscone Convention Center) in an aggregate principal amount not to exceed \$60 million; (3) authorize City officials to take any necessary or advisable actions in connection with (a) the new rental agreement between the City and the SFRA, and (b) the issuance of the proposed Series 1994 Lease Revenue Bonds; (4) authorize the filing of a validation action; and (5) ratify actions previously taken by City officials with respect to the execution of the 1994 Project Lease, the sale and issuance of the proposed new Lease Revenue Bonds (Series 1994), and the repayment of the existing Lease Revenue Bonds (Series 1991).

The CAO states that the SFRA's combined total annual debt service costs for the proposed new Lease Revenue Bonds (Series 1994) (which would be authorized by the proposed ordinance and secured by the City's rental payments for Moscone Center), and the Hotel Tax Bonds (which will be proposed in the near future), would not exceed the SFRA's current annual debt service costs of approximately \$8.88 million for the existing and outstanding Lease Revenue Bonds (Series 1991). However, the CAO's financial plan for Moscone Center would require the City to repay the proposed new bonds for a longer period of time, resulting in increased debt service requirements.

Comments:

1. As noted above, the proposed ordinance would authorize the SFRA to issue up to \$60 million in new Lease Revenue Bonds (Series 1994). The CAO reports that these bonds proceeds would be used to partially retire the 1991 bonds and to finance capital improvements at Moscone Center South, as follows:

Refunding of 1991 bonds	\$26.4 million
Moscone Center South capital projects	12.5 million
Debt service reserve fund	3.8 million
Issuance Costs	0.7 million
Total proposed Lease Revenue Bonds (Series 1994)	\$43.4 million

A list of the proposed capital improvements at Moscone Center South which would be financed by the proposed Lease Revenue Bonds (Series 1994) appears in Attachment 2.

2. The proposed ordinance provides that the interest rate for the proposed Lease Revenue Bonds (Series 1994) could not exceed 10 percent. Ms. Laura Wagner-Lockwood of the CAO's Office reports that interest rates for 30-year municipal bonds (such as the proposed bonds) are currently 6.8 percent. In contrast, the interest rate on the existing Refunding Lease Revenue Bonds (Series 1991) is 6.2 percent. Although the existing bonds were financed at a lower interest rate, they require annual debt service payments of approximately \$8.88 million. The CAO is proposing to lower the City's annual debt service on the existing Moscone Center bonds by extending the repayment period to 30 years, by issuing 1994 Lease Revenue Bonds to retire the 1991 bonds. The CAO is unable at this time to predict the precise interest rate at which the 1994 bonds will be sold.

The CAO reports that the City's current debt service requirement for the existing 1991 bonds is \$8.88 million annually for the next 7 years, with a total debt service requirement of approximately \$62.2 million (\$8.88 million annually for 7 years).

If the proposed Lease Revenue Bonds (Series 1994) are sold at an interest rate of 6.8 percent for a 30 year term (based on current interest rates), the City's debt service requirement for the proposed 1994 bonds would be approximately \$3.214 million annually for the next 30 years, according to the CAO, with a total debt service requirement of \$96.4 million (\$3.214 million x 30 years).

Therefore, the estimated total debt service requirement of \$96.4 million for the proposed 1994 bonds (if they are sold at 6.8 percent) is \$34.2 million more than the outstanding total debt service requirement for the 1991 bonds of \$62.2 million. This \$34.2 million increase in new debt service requirements for Moscone Center, as a result of issuing the proposed 1994 bonds, represents the City's estimated total cost to finance \$12.5 million in proposed Moscone Center South capital improvements by restructuring and refinancing the 1991 bonds.

3. According to the CAO, the large debt service requirement of \$34.2 million to finance \$12.5 million in capital improvements at Moscone Center South will be incurred because the CAO will defer repayment of principal on the proposed 1994 bonds

until the year 2024. Between 1994 and 2024, the City will pay interest only (not principal) on the proposed 1994 bonds. Because repayment of interest only on the proposed 1994 bonds will require only \$3.2 million in debt service annually, compared to the SFRA's current debt service requirement of \$8.88 million annually for the 1991 bonds, approximately \$5.68 million which is now paid to retire the 1991 bonds will become available for other purposes. Specifically, \$5.68 million of the \$8.88 million which the City currently pays in debt service for the 1991 bonds will be used by the SFRA to secure new Hotel Tax Bonds. In this way, new Hotel Tax Bonds can be issued in order to provide new funds for the SFRA's programmed improvements to Moscone Center North and the Moscone Center Esplanade, and to construct the Yerba Buena Children's Facility.

The proposed projects which would be financed with the Hotel Tax Bonds are listed in Attachment 3.

4. As previously noted, the CAO reports that in the near future he will propose the issuance of Hotel Tax Bonds to finance additional Moscone Center and Yerba Buena Center capital projects, which are shown in Attachment 3. As discussed above, these bonds would be repaid from approximately \$5.68 million in annual SFRA rental income which would be made available by refinancing the existing 1991 Refunding Lease Revenue bonds with 1994 Lease Revenue bonds.

However, as shown in the table below, approximately \$26.3 million from the proceeds of the anticipated Hotel Tax Bonds would be needed [in addition to the proceeds from the proposed Lease Revenue Bonds (Series 1994)] to fully retire the existing Refunding Lease Revenue Bonds (Series 1991). However, the City is not currently authorized to issue Hotel Tax Bonds, and the CAO reports that issuing such bonds will require public hearings and amendments to the City's Administrative Code.

The CAO is expected to propose the issuance of up to \$98.4 million in Hotel Tax Bonds which would be used as follows:

Retirement of 1991 Bonds	\$26.3 million
Yerba Buena Center Children's Facilities	43.2 million
Moscone Center North & Esplanade capital projects	11.2 million
Mexican Museum	7.5 million
Debt service reserve fund	9.8 million
Issuance costs	<u>0.4 million</u>
Total	\$98.4 million

As previously noted, the proposed Hotel Tax Bonds are not a subject of the proposed ordinance, and there is no authority at the present time for the City to issue Hotel Tax Bonds.

5. Including the CAO's current projections for Hotel Tax Bonds, the City's total debt service requirement will increase by approximately \$204.2 million over the next 30 years as a result of the CAO's financing plan for the Moscone Center capital projects, compared to the existing debt service requirement of \$62.2 million for the outstanding 1991 bonds. The SFRA would repay the proposed new Lease Revenue Bonds (Series 1994) and the anticipated Hotel Tax Bonds over a term of 30 years at a cost of \$8.88 million annually (for total debt service cost of \$266.4 million), compared to a remaining term of only seven years at \$8.88 million annually (for total debt service cost of \$62.2 million) for the existing Refunding Lease Revenue Bonds (Series 1991). Therefore, the SFRA would incur approximately \$204.2 million in new debt service requirements (\$8.88 million annual debt service requirement for an additional 23 years) as a result of refinancing the 1991 bonds with the proposed Lease Revenue Bonds (Series 1994) and the anticipated Hotel Tax Bonds.

Of this estimated \$204.2 million increase in total debt service requirements for Moscone Center, approximately \$34.2 million would result from issuing 1994 Lease Revenue bonds to finance \$12.5 million in improvements at Moscone Center South, and an estimated \$170 million would result from the issuance of the anticipated Hotel Tax bonds.

6. The CAO initially reported (see Attachment 1) that the City could raise sufficient additional funds for all of the capital projects which have been proposed for Moscone Center and the Yerba Buena Redevelopment Area (as shown in Attachments 2 and 3) by (1) issuing the proposed Lease Revenue Bonds (Series 1994) and (2) issuing Hotel Tax Bonds (which will be the subject of future legislation), without incurring more than the City's current annual cost of approximately \$8.88 million for total Moscone Center debt service requirements.

However, the CAO also reported that, if interest rates increase, the City will not be able to complete all of the capital projects which have been programmed for Moscone Center and the Yerba Buena Redevelopment Area. (This is because, at higher interest rates, the City must sell a smaller dollar value of bonds in order not to exceed its current annual debt service requirement for the 1991 bonds of \$8.88 million.)

The CAO reports that the proposed 1994 Lease Revenue Bonds will not be sold until September, 1994. In the interim, interest rates could increase, decrease or remain unchanged. Ms. Wagner-Lockwood reports that interest rates for 30 year municipal bonds have recently increased from 6.5 percent to 6.8 percent.

Ms. Wagner-Lockwood also reports that the recent increase in interest rates from 6.5 to 6.8 percent suggests that, in contrast to the CAO's earlier report, it may not be possible to finance all of the proposed Moscone Center capital projects while maintaining an annual debt service limit of \$8.88 million. Specifically, Ms. Wagner-Lockwood states that, if the proposed 1994 Lease Revenue bonds are sold at or above the current interest rate for 30 year bonds of 6.8 percent, the City will be unable to finance all of the planned capital projects which have been programmed by the SFRA and which appear in the attachments to this report. If interest rates increase further or do not decrease before the bonds are sold as expected in September or October, 1994, some of the proposed projects will have to be curtailed. Ms. Wagner-Lockwood reports that the SFRA and the CAO have not yet determined which projects would be curtailed if sufficient bond funds are not available for all of the projects after the bonds are sold.

7. The proposed ordinance would authorize the Mayor to execute a new Project Lease for Moscone Center with the SFRA, and to make any changes in the lease prior to its execution which the Mayor, in consultation with the City Attorney, deems advisable.

The existing Moscone Center Project Lease between the City and the SFRA provides for an annual rental payment by the City of \$8.88 million. The proposed new Project Lease which is on file with the Clerk of the Board does not reflect the rental payments which would be payable to the SFRA by the City under the terms of the new Project Lease, which would be approved pursuant to the proposed ordinance. Since the proposed final new Project Lease is not on file with the Clerk of the Board, the Budget Analyst is unable to evaluate the financial terms of the proposed new Project Lease compared to the current lease. However, the proposed ordinance provides that the annual base rent under the new Project Lease shall not exceed \$7 million.

8. The proposed ordinance would authorize the CAO to file a validation action in Superior Court. The purpose of the validation action, according to the CAO's Office, would be to obtain an opinion of the Superior Court concerning whether

the voters' approval in 1976 of the original bonds which financed the construction of Moscone Center South also authorizes the issuance of the proposed Lease Revenue Bonds (Series 1994) to finance continuing capital improvements at Moscone Center South, without seeking further approval from the voters.

9. The proposed ordinance confers general authority on City officials to execute the CAO's financing plan for Moscone Center South, "for and in the name and on behalf of the City," by granting authority to City officials to do "any and all things and take any and all actions... which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds, the refunding of the Series 1991 bonds, the execution and delivery of the 1994 Project Lease, the filing and obtaining of a default judgment in the validation action, the approval of any disclosure relating to the City contained in the official statement of the SFRA relating to the bonds and to effectuate the purposes thereof and of the documents herein approved."

The Board of Supervisor's delegation of this scope of authority to other City officials in connection with the proposed bonds is a policy matter for the Board of Supervisors.

10. In summary, the effect of the proposed ordinance would be to authorize the refinancing and restructuring of the existing Moscone Center Lease Revenue bonds (Series 1991) which are currently scheduled to be retired October 1, 2001, in order to (1) raise \$12.5 million for Moscone Center South capital improvements, and (2) release \$5.68 million of current debt service appropriations for the outstanding 1991 bonds to fund new debt service requirements for anticipated Hotel Tax Bonds which are not a subject of the proposed ordinance.

The City's estimated additional debt service requirement of \$96.4 million if the proposed 1994 Redevelopment Agency Lease Revenue Bonds are issued would be an estimated \$34.2 million more than the total debt service requirement of \$62.2 million for the existing, 1991 outstanding Redevelopment Agency Refunding Lease Revenue Bonds, which are currently scheduled to be retired on October 1, 2001.

The City's total debt service requirements for Moscone Center capital projects would be an estimated \$266.4 million over the next 30 years, if the proposed 1994 Lease Revenue bonds (which are a subject of the proposed ordinance) and the anticipated Hotel Tax Bonds (which are not a subject of the proposed ordinance) are approved by the Board of Supervisors.

This estimated \$266.4 million debt service requirement over 30 years would be \$204.2 higher than the current debt service requirement of only \$62.2 million to retire the existing 1991 Refunding Lease Revenue Bonds as scheduled on October 1, 2001. The CAO has recommended this debt restructuring in order to provide new funds to improve the existing Moscone Center facilities and to construct new facilities in the Yerba Buena Redevelopment project, in addition to retiring the existing 1991 Redevelopment Agency Refunding Lease Revenue Bonds.

In addition, the proposed ordinance would authorize a new Moscone Center Project Lease between the City and the SFRA, and would confer general authority to City officials to take any actions they deem "necessary or advisable" to issue the proposed 1994 Lease Revenue bonds, refund the existing 1991 Refunding Lease Revenue, and execute the new Project Lease.

11. The proposed ordinance is part of a larger strategy which has been proposed by the CAO and the SFRA to finance previously programmed capital improvements for Moscone Center and the Yerba Buena Redevelopment Area, based in part on the anticipated issuance of Hotel Tax Bonds which are not a subject of the proposed ordinance. In other words, the increase in the City's debt service for the existing 1991 Moscone Center Lease Revenue bonds, as discussed at Comment 3, is being undertaken specifically to enable the City to issue the anticipated Hotel Tax Bonds in the future, in order to finance the previously programmed Moscone Center and Yerba Buena Center capital improvement projects. The CAO advises that the proposed 1994 Lease Revenue Bonds (which would be authorized by the proposed ordinance) could not be sold, and the existing 1991 Lease Revenue bonds could not be retired, unless the anticipated Hotel Tax Bonds are approved by the Board of Supervisors.

This overall financing strategy for Moscone Center, which has been recommended by the CAO, is a policy matter for the Board of Supervisors. However, since the Budget Analyst has not had an opportunity to review the legislation which would authorize the anticipated Hotel Tax Bonds, we consider the CAO's recommended financing plan for the Moscone Center and the Yerba Buena Center to be a policy matter for the Board of Supervisors. Further, the delegation of authority by the Board of Supervisors to the Mayor, CAO, and other City officials, to take any actions deemed "necessary or advisable" to execute the new Project Lease, is a policy matter for the Board of Supervisors.

Memo to Budget Committee
April 6, 1994

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

BOARD OF SUPERVISORS
BUDGET ANALYST



OFFICE OF

CHIEF ADMINISTRATIVE OFFICER

RUDOLF NOTHENBERG
CHIEF ADMINISTRATIVE OFFICER289 CITY HALL
SAN FRANCISCO
CALIFORNIA 94102
415/554-4851

March 23, 1994

The Honorable Tom Hsieh,
Chair, Budget Committee, Board of Supervisors
City Hall, Room 235
San Francisco, CA 94102

Re: Financing of Children's Center, Mexican Museum and Convention Center Improvements

Dear Supervisor Hsieh:

I am writing to request that the Budget Committee schedule for the April 6, 1994 meeting, an ordinance we have submitted to the Clerk which would authorize the financing structure for the Children's Center, Mexican Museum and Moscone Convention Center Improvements in the Yerba Buena Redevelopment Project.

The following is provided by way of background:

- (1) In September 1993, the Board of Supervisors directed my office and Redevelopment Agency to work together to develop a financing plan which utilizes Hotel Tax revenue to finance certain facilities on the roof of the original Moscone Convention Center for (i) the "Children's Center", (ii) capital improvements and repairs to the Convention Center, and (iii) a portion of costs associated with the construction of the Mexican Museum. We have worked over the last six months with our financial consultants to develop a prudent, cost-effective approach to this financing. The first portion of this plan, an ordinance related to the refunding and restructuring of the lease between the City and the Redevelopment Agency for the original Moscone Convention Center is the item which I would request be heard by the Budget Committee on Wednesday, April 6, 1994.
- (2) The City currently appropriates some \$8.88 million of Hotel Tax revenues annually for debt service payments on the Redevelopment Agency issued 1991 Revenue Bonds for the Moscone Convention Center. The financing plan we have developed contemplates the refunding and restructuring of the 1991 Bonds through the issuance of new Lease Revenue Bonds, Series 1994 as well as the issuance of new Hotel Tax Bonds (Series 1994) by the Redevelopment Agency. It is anticipated that in 1997 the Agency will issue additional Hotel Tax bonds to provide up to \$7.5 million in matching funds for the construction of the Mexican Museum. **The combined aggregate annual debt service on the new Moscone Bonds and the two Hotel Tax Bond issues will not exceed the aforementioned \$8.88 million.**

Hon. Supervisor Tom Hsieh

March 23, 1994

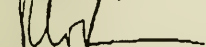
Page 2

- (3) At current interest rates, the annual allocation of \$8.88 million in debt service will cover the \$74.4 million needed for the projects – \$43.2 million for the Children's Center, \$23.7 million for the Moscone Improvements, and \$7.5 million for the Mexican Museum. However, a significant increase in interest rates prior to the sale of the Bonds would result in some reduction in the amount of bond proceeds available for projects. In that event, the Agency and my office will work together to decide which projects or portions of projects can be deferred or reduced.
- (4) In addition to approving the issuance of the new 1994 Moscone Lease Revenue bonds, (the item which we are asking you to hear on April 6) we will ask the Board at a future time to approve the issuance of the Redevelopment Agency's Hotel Tax bonds. At that time, the City will have to amend the Municipal Code and reauthorize the City's existing hotel tax in order to allow the Agency to levy a hotel tax pursuant to Section 7280 of the California Revenue and Taxation Code. The Redevelopment Agency's portion of the existing 12% hotel tax will be pledged to pay debt service on the Hotel Tax Bonds. Public hearings are necessary to accomplish this change. The Redevelopment Agency and we are in the process of scheduling these.
- (5) It is important to point out that the practical effect of the pledge by the Redevelopment Agency for their portion of the 12% Hotel Tax will mean that the City will most likely be unable to lower the citywide hotel tax below the current rate of 12% as long as the Agency's Hotel Tax Bonds are outstanding.

Redevelopment Agency personnel, my staff and I will be available to answer any questions you or your colleagues may have at the hearing or before.

Thank you for your cooperation.

Very truly yours,



Rudolf Nothenberg
Chief Administrative Officer

cc: Members of the Board of Supervisors
Mr. Harvey Rose, Budget Analyst
Mr. Bob Gamble, Redevelopment Agency

San Francisco Redevelopment Agency City and County of San Francisco

Moscone South = \$12,481,510

\$23,731,871
TOTAL

1994-1995 Costs	5%		1995-1996 Costs		5%	
	1992 Dollars	Inflation	1992 Dollars	Inflation	1992 Dollars	1995 Dollars
Emergency Generator Fuel Tank	30,000	1.10	33,075			
Upgrade Lobby Glass Doors	60,000	1.10	66,160		50,000	57,881
Re-roof South	900,000	1.10	892,250		50,000	57,881
Replace 3rd and 4th Street Rollups	20,000	1.10	22,060		20,000	23,153
Extend Stainless Hand Rails	12,500	1.10	13,781		20,000	23,153
Repair Loops, Replace Ceiling Tile	80,000	1.10	88,200		655,000	758,244
Replace Globular Door Lock Sets E/W	30,000	1.10	33,075		\$785,000	\$920,312
Replace Ceramic Tile Rest Room Walls	120,000	1.10	132,300			
Replace Toilet Partitions	20,000	1.10	22,060			
Repair Movable Walls E/W	150,000	1.10	165,375			
Paint Movable Walls E/W	200,000	1.10	220,500			
Replace Globular Door Lock Sets, A/B/C	30,000	1.10	33,075			
Repair Movable Walls A/B/C	250,000	1.10	275,625			
Paint Movable Walls A/B/C	150,000	1.10	165,375			
Replace Fabric Walls A/B/C	200,000	1.10	220,500			
Replace Ceramic Tile Rest Room Walls A/B/C	120,000	1.10	132,300			
Replace Partitions Rest Rooms A/B/C	30,000	1.10	33,075			
Remodel Food Concession Areas A/B/C	200,000	1.10	220,500			
Reupholster Lounge Seating	70,000	1.10	77,175			
Electrical Substation Repairs and Upgrades	30,000	1.10	33,075			
Install Safety Strobe Lights	200,000	1.10	220,500			
Install CCTV Cameras	40,000	1.10	44,100			
Cross Connect Water and Fire Loop	50,000	1.10	55,125			
Add Life Safety Annunciator Panel	19,000	1.10	20,948			
Add New Electrical Service	8,500	1.10	9,353			
Add Elevator Card Access Admin.	15,000	1.10	16,538			
Upgrade Honeywell BAS CPU's System	112,000	1.10	123,480			
Electronic Sign Pyrote Traffic Island	265,000	1.10	292,163			
Electronic Readerboards	190,000	1.10	209,475			
Information Kiosks	5,800	1.10	6,395			
Miscellaneous Graphics	40,900	1.10	44,982			
Rewire Telephone System	60,000	1.10	66,160			
Local Area Network	100,000	1.10	110,250			
Telephone Billing Software	50,000	1.10	55,125			
	\$3,848,600		\$4,240,877			
1996-1997 Costs	5%		1996-1997 Costs		5%	
	1992 Dollars	Inflation	1992 Dollars	Inflation	1992 Dollars	1996 Dollars
Sandblast Exterior	100,000	1.22	121,551			
Install Theatrical Lighting E/W	50,000	1.22	60,775			
Replace Ceiling Tile E/W	90,000	1.22	109,396			
Replace Ceiling Tile A/B/C	200,000	1.22	243,101			
Replace Fixtures, Furniture from 1979	3,000,000	1.22	3,648,519			
	\$3,440,000		\$4,181,342			
1997-1998 Costs	5%		1997-1998 Costs		5%	
	1992 Dollars	Inflation	1992 Dollars	Inflation	1992 Dollars	1997 Dollars
Replace 6 Escalators	600,000	1.28	765,769			
Replace 4 Elevators	400,000	1.28	510,513			
Replace Mobile Equipment	150,000	1.28	191,442			
Replace Meeting Room Risers	25,000	1.28	31,907			
Repaint	150,000	1.28	191,442			
	\$1,325,000		\$1,691,073			
2000-2001 Costs	5%		2000-2001 Costs		5%	
	1992 Dollars	Inflation	1992 Dollars	Inflation	1992 Dollars	2000 Dollars
Replace Doors and Hardware	380,000	1.48	531,884			
Recarpet	620,000	1.48	916,022			
	\$980,000		\$1,447,906			

San Francisco Redevelopment Agency City and County of San Francisco

Moscone North = 6,254,057

1994-1995 Costs	1992 Dollars	Inflation	1994 Dollars
Seating Units	15,000	1.10	16,538
Remove Directory Lobby	20,000	1.10	22,050
Aluminum Covers Front Doors	10,000	1.10	11,025
Lounge Furniture Lobby	50,000	1.10	55,125
Replace Carpet E	60,000	1.10	66,150
Install Heavy Traffic Coating	30,000	1.10	33,075
Electronic Readerboards	129,000	1.10	142,223
Information Kiosks	16,000	1.10	17,640
Miscellaneous Graphics	12,100	1.10	13,340
	\$342,100		\$377,165
1995-1996 Costs	1992 Dollars	Inflation	1995 Dollars
Moscone North ADA	665,000	1.16	769,821
	\$665,000		\$769,821
1996-1997 Costs	1992 Dollars	Inflation	1996 Dollars
Repair Movable Walls	400,000	1.22	486,203
Replace Carpet	60,000	1.22	72,930
Repair Movable Walls North Mtg Rm	60,000	1.22	72,930
Replace Damaged Doors	120,000	1.22	145,861
	\$640,000		\$777,924
1997-1998 Costs	1992 Dollars	Inflation	1997 Dollars
Repair Movable Walls	252,000	1.28	321,823
Replace Hall E Carpet	120,000	1.28	153,154
Re-Carpet Movable Walls	500,000	1.28	638,141
Re-Carpet All Areas	370,000	1.28	472,224
Repaint	150,000	1.28	191,442
Replace Fixtures/Furniture	2,000,000	1.28	2,552,563
	\$3,392,000		\$4,329,147

San Francisco Redevelopment Agency
City and County of San Francisco

Esplanade - 4,996,305

1994-1995 Costs	1992 Dollars	5% Inflation	1994 Dollars
Add Down Lights/Wall Washers	16,000	1.10	17,640
Add Remote Control Units	9,000	1.10	9,923
Electronic Readerboards	124,000	1.10	136,710
Miscellaneous Graphics	28,100	1.10	30,980
	\$177,100		\$185,253

1995-1996 Costs	1992 Dollars	5% Inflation	1995 Dollars
Install Traffic Coating	30,000	1.16	34,729
	\$30,000		\$34,729

1996-1997 Costs	1992 Dollars	5% Inflation	1996 Dollars
Repair Movable Walls	320,000	1.22	368,962
Re-Carpet Movable Walls	300,000	1.22	364,652
	\$620,000		\$753,614

1997-1998 Costs	1992 Dollars	5% Inflation	1997 Dollars
Replace Fixtures/Furniture	250,000	1.28	319,070
	\$250,000		\$319,070

2000-2001 Costs	1992 Dollars	5% Inflation	2000 Dollars
Replace Door Hardware	50,000	1.48	73,873
Replace Movable Walls	1,200,000	1.48	1,772,947
Re-Carpet All Areas	500,000	1.48	738,728
Replace Fixtures/Furniture	750,000	1.48	1,108,092

**San Francisco Redevelopment Agency
City and County of San Francisco
Children's Facilities**

	1994 Dollars
Children's Place	8,887,000
Child Care	4,121,000
Ice Rink	11,460,000
Bowling Center	2,737,000
Carousel Enclosure	1,429,000
Carousel Purchase	1,238,000
Children's Garden	9,987,000
Building Alternates	920,000
Garden Alternates	1,427,000
Moscone Alternates	986,000
Total	\$43,172,000

SF
590.07
#2
4/13/94

1111 CALENDAR... ACTION TAKEN
BUDGET COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

DOCUMENTS DEPT.
AUG 27 1996
SAN FRANCISCO
PUBLIC LIBRARY

WEDNESDAY, APRIL 13, 1994 - 1:00 P.M.

ROOM 228, CITY HALL

PRESENT: SUPERVISORS HSIEH, ALIOTO, BIERMAN

ABSENT: SUPERVISOR ALIOTO FOR ITEM #12

CLERK: MARY L. RED

1. File 100-91-1.37. [Reserved Funds/Bernal Heights Planning & Improvement] Hearing requesting release of reserved funds, Department of City Planning, in the amount of \$53,565, for Bernal Heights Planning and Improvement Study. (Department of City Planning)

ACTION: Release of reserved funds in the amount of \$46,678 approved. (See Budget Analyst report for explanation of amount of funds released). FILED
2. File 101-91-10.4. [Reserved Funds, DPH, Division of Mental Health] Hearing requesting release of reserved funds, Department of Public Health, 1987 Mental Health Facility Improvement Bond, in the amount of \$632,500, for the construction of the parking lot for the Skilled Nursing Center. (Department of Public Health)

ACTION: Release of reserved funds in the amount of \$632,500 approved. FILED
3. File 101-93-105. [Appropriation, Public Library] Ordinance appropriating \$5,795,171, Public Library, from 1988 Public Library Improvement Bond interest earnings to capital improvement projects (construction contingency for New Main Library, Chinatown and Mission Branch renovations and Mission Branch relocation) for fiscal year 1993-94. RO #93263 (Supervisors Leal, Alioto, Bierman, Hsieh)

ACTION: Amendment of the Whole (reflecting Budget Analyst recommendations) adopted. New title: "Ordinance appropriating \$5,795,171, Public Library, from 1988 Public Library Improvement Bond interest earnings to capital improvement projects (construction contingency for New Main Library, Chinatown and Mission Branch renovations and Mission Branch relocation) for fiscal year 1993-94, placing \$1,208,551 on reserve." RECOMMENDED AS AMENDED. (Supervisors Alioto, Bierman, Hsieh added as cosponsors)

4. File 101-93-106. [Appropriation, Bonding Assistance Program] Ordinance appropriating \$500,000, Human Rights Commission, to establish a City Bond Support Program for MBE/WBE firms and rescinding a \$500,000 facilities maintenance project (disabled access modifications) from the Chief Administrative Officer for fiscal year 1993-1994. (Supervisors Kennedy, Alioto, Bierman, Hsieh)

ACTION: Amendment of the Whole (reflecting Budget Analyst recommendations) adopted. New title: "Ordinance appropriating \$500,000, Human Rights Commission, to establish a City Bond Support Program for MBE/WBE firms and rescinding a \$500,000 facilities maintenance project (disabled access modifications) from the Chief Administrative Officer for fiscal year 1993-1994, placing \$40,000 on reserve." RECOMMENDED AS AMENDED. (Supervisors Bierman, Hsieh added as cosponsors)

5. File 97-94-20. [Bonding Assistance Program, MBE/WBE Contractors] Ordinance amending Administrative Code by adding Section 6.20-2 to establish a Bonding Assistance Program for certain Minority Business Enterprises, Woman Business Enterprises and Woman/Minority Man Business Enterprises. (Supervisors Kennedy, Alioto, Bierman, Hsieh)

ACTION: Amendment of the Whole (providing for six month review by Board of Supervisors) adopted. New title: "Ordinance amending Administrative Code by adding Section 6.20-2 to establish a Bonding Assistance Program for certain Minority Business Enterprises, Woman Business Enterprises and Woman/Minority Man Business Enterprises; and providing for six month status reports to the Board of Supervisors beginning January 1, 1995." RECOMMENDED AS AMENDED. (Supervisors Bierman, Hsieh added as cosponsors)

6. File 97-94-19. [Bid Security Requirements, Public Works Projects] Ordinance amending Administrative Code by amending Section 6.19 by allowing modification of bid security requirements for certain contractors bidding on certain city public works projects; such amendments to be effective for a period of two years from the date of final adoption of the amendments by the Board of Supervisors and Mayor. (Supervisors Kennedy, Alioto, Bierman, Hsieh)

ACTION: Amendment of the Whole (providing for six month review by the Board of Supervisors) adopted. New title: "Ordinance amending Administrative Code by amending Section 6.19 by allowing modification of bid security requirements for certain contractors bidding on certain city public works projects; such amendments to be effective for a period of two years from the date of final adoption of the amendments by the Board of Supervisors and Mayor; and providing for six month status reports to the Board of Supervisors, beginning January 1, 1995." RECOMMENDED AS AMENDED. (Supervisors Bierman, Hsieh added as cosponsors)

7. File 27-94-4. [Nat'l Oceanic & Atmospheric Administration License] Ordinance approving of License for Use of Real Property between the National Oceanic and Atmospheric Administration and the City and County of San Francisco acting by and through its Airports Commission. (Airports Commission)

ACTION: RECOMMENDED.

8. File 173-94-1. [Loan, Port, Commercial Fishing Harbor] Resolution authorizing the Executive Director of the Port of San Francisco to apply for and accept a \$4.8 million loan from the California Department of Boating and Waterways to finance in part, the construction of the Fisherman's Wharf Commercial Fishing Harbor. (Supervisor Shelley, Alioto, Bierman)

ACTION: Amendment of the Whole (reflecting Budget Analyst recommendations) adopted. New title: "Resolution authorizing the Executive Director of the Port of San Francisco to apply for and accept an extension for up to four years of the existing \$3.0 million loan and to apply for and accept an additional \$1.8 million loan in the total amount of \$4.8 million from the California Department of Boating and Waterways to finance in part, the construction of the Fisherman's Wharf Commercial Fishing Harbor." RECOMMENDED AS AMENDED. (Supervisors Alioto, Bierman added as cosponsors)

9. File 165-94-3. [Management Audit, Police Department] Motion directing the Budget Analyst of the Board of Supervisors to conduct a management audit of the San Francisco Police Department. (Supervisor Kaufman)

ACTION: RECOMMENDED.

10. File 100-94-7. [Zero Base Budget Analysis, Status of] Hearing to consider the status of the "zero base" budget analysis by the Board's Budget Analyst. (Supervisor Hsieh)

ACTION: Hearing held. Consideration continued to call of the chair.

11. File 101-93-48. [Appropriation, Mayor's Office] Ordinance appropriating \$20,000, Mayor's Office of Community Development, for professional services - special service contracts for the Day Laborer Program to be funded from Board of Supervisors General Fund Reserve. (Mayor) (Continued from 4/6/94)

ACTION: RECOMMENDED.

12. File 101-93-95. [Appropriation, Port of San Francisco] Ordinance appropriating \$1,336,856, Port, for capital improvements, facilities maintenance projects and debt service payments for fiscal year 1993-94; funded from San Francisco Harbor Operating Fund (\$1,108,000) and 1984 Port Revenue Bond fund (\$228,856). RQ 393230 (Supervisor Alioto)
(Continued from 4/6/94)

ACTION: Consideration continued to April 20, 1994. (Supervisor Alioto absent)

CITY AND COUNTY



OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

April 11, 1994

TO: Budget Committee

FROM: Budget Analyst

SUBJECT: April 13, 1994 Budget Committee Meeting

Item 1 - File 100-91-1.37

Department: City Planning Department
Redevelopment Agency

Item: Request for release of reserved funds for the Bernal Heights Planning and Improvement Study

Amount: \$53,565

Source of Funds: Program Income from the Community Development Block Grant Program (CDBG)

Description: In 1991, the Board of Supervisors approved a resolution which adopted the Bernal Heights East and South Slope Revitalization Feasibility Report, prepared by the Redevelopment Agency, containing cost estimates for the improvement of streets and infrastructure on the East and South slopes of Bernal Heights (File 161-90-3). That resolution also requested that the City Planning Commission specify a project area and formulate a preliminary project plan for the project area. The Finance Committee of the Board of Supervisors placed \$100,000 on reserve in the Redevelopment Agency's FY 1991-92 CDBG budget, to be used by the Planning Department to coordinate the infrastructure improvement process. The purpose of the Bernal Heights East and South Slope Planning and Improvement Study is to implement infrastructure

improvements in three study areas: (1) Brewster/Joy Streets; (2) Banks/Chapman Streets; and (3) Bradford/Jarboe Streets. The infrastructure improvements, needed to protect current and future residents of the area and their property, include streetwork and construction of retaining walls to provide access for emergency vehicles; water pressure and sewer line improvements; new fire hydrants; undergrounding of utilities; and street lighting.

In February, 1992, the Board of Supervisors approved release of \$46,435 of the \$100,000 reserve fund to support Planning Department development of a preliminary capital improvement plan, coordination with other City agencies and the community, and identification of necessary environmental evaluation work (File 100-91-1.19).

The proposed release of reserved funds would provide \$53,565, the balance of the \$100,000 reserve fund, to support continued Planning Department staffing for the project through the end of FY 1994-95 in order to complete the environmental review process and to coordinate response to neighborhood concerns during the construction of the improvements for the Brewster/Joy Street area, and to start the planning process for the next phase of the project, which will focus on the Banks/Chapman Streets area.

Comments:

1. Mr. Peter Albert of the Planning Department reports that the infrastructure improvements planned for the East and South Slope areas of Bernal Heights involve streetwork and construction of retaining walls to provide access for emergency vehicles; water pressure and sewer line improvements; new fire hydrants; undergrounding of utilities; and street lighting. Mr. Albert states that the improvements apply to three study areas: (1) Brewster/Joy Streets; (2) Banks/Chapman Streets; and (3) Bradford/Jarboe Streets. Mr. Albert advises that, because the most critical area of inadequate infrastructure is Brewster/Joy Streets, this is the first area slated for improvements.

2. Mr. Albert reports that the cost of the capital improvements is anticipated to total approximately \$8.1 million. Mr. Albert advises that the Planning Department and the Department of Public Works (DPW) expect to obtain this funding primarily from the San Francisco County Transportation Authority allocations of 1989 Transportation Sales Tax (Proposition B) funds.

3. Mr. Albert states that, in the past two years, the Planning Department has worked closely with a community group, known as the Bernal Heights East and South Slope Improvement Committee, as well as with the Department of Public Works (DPW), the Water Department, the Fire Department, the Parking and Traffic Department, the Public Utilities Commission and the City Attorney's Office, to develop a plan for the improvements and assist the DPW in applying for funds from the Transportation Authority. Mr. Albert reports that the DPW is nearing completion of construction drawings for the Brewster/Joy Streets phase of the project. Mr. Albert advises that the Planning Department published a Preliminary Negative Declaration of Environmental Impact in March, 1994. According to Mr. Albert, construction is expected to begin on the Brewster/Joy Streets phase in Fall of 1994, at which time the Planning Department will commence the planning and engineering process for the Banks/Chapman Streets area.

4. Mr. Albert states that the Planning Department has incurred a total of \$42,131 in costs to date for coordination of the Bernal Heights Planning and Improvement Project, leaving a balance of \$4,304 available from the \$46,435 released from reserve in FY 1991-92. Mr. Albert advises that the requested release of reserved funds would finance staffing costs from March 1 through June 30, 1994 and are projected to total \$16,920. Given that the proposed request would fund costs that have been incurred since March 1, 1994, the proposed request should be amended for retroactive approval. Mr. Albert further advises that staffing costs for FY 1994-95 are projected to total \$34,062, including an estimated \$1,622, or five percent, for Salary Standardization adjustments for FY 1994-95. Therefore, total projected costs through the end of FY 1994-95 will be \$50,982, as detailed below:

I. March 1 through June 30, 1994

<u>Description</u>	<u>Cost</u>
Planner III: 185 hrs X \$68/hr	\$12,580
Planner IV: 40 hrs X \$80/hr	3,200
Planner V: 12 hrs X \$95/hr	<u>1,140</u>
Subtotal, balance of FY 1993-94	\$16,920

II. FY 1994-95

<u>Description</u>	<u>Cost</u>
Planner III: 420 hrs X \$68/hr	\$28,560
Planner IV: 20 hrs X \$80/hr	1,600
Planner V: 24 hrs X \$95/hr	2,280
Salary Standardization (5 percent)	<u>1,622</u>
Subtotal, FY 1994-95	<u>\$34,062</u>
Total Projected Expenditures	\$50,982
Less Balance of Funds Available from Previously Released Reserved Funds	<u>\$4,304</u>
Amount Required from Reserved Funds	\$46,678

5. Therefore, funds in the amount of \$6,887 (\$53,565 request less \$46,678 need) should continue to be reserved.

Recommendation: Reduce the proposed release of reserved funds, from \$53,565 to \$46,678, reflecting projected costs of the program through June 30, 1995. Retroactively release \$46,678 and continue to reserve \$6,887.

Item 2 - File 101-91-10.4

Department: Department of Public Health (DPH)
Community Mental Health Services

Item: Request to release reserved funds for the construction of the parking lot for the Skilled Nursing Center.

Amount: \$632,500

Source of Funds: 1987 Mental Health Facility Improvement Bond

Description:

On June 26, 1991, the Board of Supervisors approved an ordinance (File 101-91-10) to appropriate \$23 million of 1987 Mental Health Facility Improvement Bonds for the purpose of constructing a Mental Health Skilled Nursing Facility. Of the \$23 million appropriated, a total of \$21,624,800 was placed on reserve for construction costs pending departmental submission of contractors, their MBE/WBE/LBE status, and specific cost details. In August, 1992, S.J. Amoroso Construction was selected as the contractor, and the Board of Supervisors released \$19,223,287 (File 101-91-10.1), leaving \$2,401,513 on reserve. In October of 1993, the Board of Supervisors released \$1,035,000, leaving \$1,366,513 on reserve.

The DPH is now requesting the release of \$632,500 from this reserve, which would leave \$734,013 on reserve. This \$632,500 would be used to construct the parking lot for the Skilled Nursing Center. As described below, DPW would augment its existing contract with S.J. Amoroso for \$239,804 and subcontract \$335,196 to subcontractors to construct the parking lot. The contract amount is a negotiated price.

<u>Contractor</u>	<u>Amount</u>	<u>MBE/WBE Status</u>	<u>Percent of Contract</u>
S.J. Amoroso	\$239,804		41.7%
Esquivel Grading & Paving	118,945	MBE	20.7
Graystone Group Landscaping	162,824	MBE	28.3
Alamillo Steel	7,248		1.3
Clervi Marble Co.	8,899	WBE	1.5
Bostrom Bergen Metal	<u>37,280</u>		<u>6.5</u>
Subtotal	\$575,000		100.0%
Contingency @ 10%	<u>57,500</u>		
Total	\$632,500		

Comment:

As discussed in the Budget Analyst's report at the time of the supplemental appropriation (File 101-91-10), the parking lot for the Mental Health Skilled Nursing Facility would be a surface parking lot with 90 spaces that would be used by visitors and staff of the Facility at no charge. According to Mr. Michael Lane, Project Manager of the parking lot construction project, construction of the parking lot is scheduled to begin as soon as the funds have been released. Mr. Lane advises that the parking lot is scheduled to be completed in September of 1994.

Recommendation: Release the requested \$632,500 in reserved funds.

Item 3 - File 101-93-105

Department: Public Library
Department of Public Works (DPW)

Item: Ordinance appropriating funds to Capital Improvement Projects for the Public Library, including Construction Contingency for the new Main Library, Chinatown and Mission Branch renovations, and Mission Branch relocation, for FY 1993-94.

Amount: \$5,795,171

Source of Funds: 1988 Public Library Improvement Bond Interest Earnings

Description: In December of 1992, the Board of Supervisors approved three supplemental appropriations to appropriate a total of \$99,028,113 in 1988 Public Library Improvement Bond and Interest Earnings funds (Files 101-92-10.1 and 101-92-10.2) and Library Foundation of San Francisco funds (File 38-92-27) for the construction of the new Main Library, as follows:

New Main Library Construction

Construction	\$86,619,800
Construction Contingency (3.2 % of Construction)	2,792,709
Construction & Project Management	4,388,787
Library Project Management	251,700
Architectural and Engineering - Contract Modifications	860,800
Construction Management - Contract Modification	272,300
Art Enrichment	840,000
Utilities	400,000
Collection Relocation	500,000
Testing & Special Inspection	800,000
Infrastructure Repair	530,000
DPW Architectural and Engineering Services - Chinatown Branch Library renovation	<u>772,017</u>
Subtotal	<u>\$99,028,113</u>

In addition, the Board of Supervisors previously appropriated a total of \$4,573,605 in Library Improvement Bond funds (File 101-89-34), State grant funds, Mayor's Office of Community Development (MOCD) grant funds (File 79-90-4.1), and Recreation and Park grant funds for the Chinatown Branch Library renovation project.

The Board of Supervisors also appropriated \$1,152,329 in Library Improvement Bond funds (File 101-89-34), Federal grant funds, and Earthquake Safety Program Bond funds for the Mission Branch Library renovation project.

The DPW indicates that funding has not been previously appropriated for the temporary relocation of the Mission Branch Library and projected shortfalls in the Construction Contingency account for the new Main Library and in funding for renovations of the Chinatown and Mission Branch Libraries. The proposed \$5,795,171 supplemental appropriation would provide funding for these projects, as follows:

	New Main Library Construction <u>Contingency</u>	Chinatown Branch <u>Renovation</u>	Mission Branch <u>Renovation</u>	Mission Branch Temporary <u>Relocation</u>	<u>Total</u>
Previously Appropriated Funding	\$2,792,709	\$4,573,605	\$1,152,329	\$0	\$8,518,643
<u>Less:</u>					
Expenditures To Date	2,328,000	639,515	195,380	0	3,162,895
Projected Future Expenditures	<u>4,264,468</u>	<u>4,896,813</u>	<u>2,165,620</u>	<u>166,194</u>	<u>11,493,095</u>
Projected Funding Shortfall	\$3,799,759	\$962,723	\$1,208,671	\$166,194	\$6,137,347
Proposed Supplemental Appropriation	<u>3,799,759</u>	<u>620,667</u>	<u>1,208,551</u>	<u>166,194</u>	<u>5,795,171</u>
Additional Projected Shortfall	\$0	\$342,056	\$120	\$0	<u>\$342,176</u>

Comments:

1. According to Mr. Jim Cheng of the Department of Public Works' (DPW) Bureau of Engineering, construction contingency funds for the new Main Library project must be readily available in case of unexpected changes caused by delays and/or contract modifications. Approximately \$2,328,000 of the \$2,792,709 in previously appropriated funds for construction contingencies have been expended on change

orders for the construction contract, leaving a current balance of approximately \$464,709.

2. According to Mr. Cheng, the Library Commission previously approved a maximum allocation of \$6,592,468 (7.6 percent of construction costs) from Library Improvement Bond interest earnings for the construction contingencies for the new Main Library. Mr. Cheng advises that the Board of Supervisors appropriated \$2,792,709 of this amount in December of 1992 because the entire \$6,592,468 in interest earnings was not available at that time. At this time, the Library is requesting that the remaining \$3,799,759 (\$6,592,468 less \$2,792,709) be appropriated for the new Main Library construction contingencies. Although this percentage (7.6 percent) is lower than the ten percent that is typically available for contingencies in projects of this type, Mr. Cheng believes that the \$6,592,468 for construction contingencies on this project should be sufficient.

3. As of a March 1, 1994 progress report, the new Main Library construction project is scheduled for completion on November 28, 1995, and the move-in date is scheduled for March 28, 1996.

4. Mr. Russ Abel of the DPW's Bureau of Architecture reports that it had been anticipated that interest earnings from the 1988 Library Improvement Bond would be one of the sources of funding for the Chinatown Branch Library renovation. Mr. Abel reports that the Library did not previously request Library Improvement Bond interest earnings since it was not possible to predict accurately how much of the interest earnings could be expended for the Branch renovations until the budget and sources of funding for the new Main Library construction project were solidified, and because an accurate estimate of the amount of interest earnings required for the Chinatown Branch renovation project could not be made until after the bids for the Chinatown renovation project were received.

5. The renovation and expansion of the Chinatown Branch Library includes seismic upgrading, handicapped accessibility, additional public space and expanded space to house the Chinatown Branch Library's collections. According to Mr. Abel, the renovation of the Chinatown Branch Library has already begun and is scheduled for completion by July of 1995. Mr. Abel advises that CICO - Joo, a Joint Venture Partnership, was selected as the lowest responsible bidder for the Chinatown Branch Library Renovation Project based on its bid

of \$3,164,862. Mr. Abel reports that the firm of T. E. Joo Construction, Inc., is an MBE firm.

6. According to Mr. Abel, a total of \$620,667 of the proposed supplemental appropriation of \$5,795,171 would be appropriated for the Chinatown Branch Library renovation project, as follows:

Construction Contingency	\$450,000
Construction Management	<u>170,667</u>
Total	<u>\$620,667</u>

Mr. Abel reports that the proposed \$450,000 for the Construction Contingency would be the first appropriation for this account, which amounts to approximately 14.2 percent of the construction cost of \$3,164,862. According to Mr. Abel, the 14.2 percent contingency is higher than the typical 10 percent for contingencies because the renovation project is made more unpredictable since the existing Chinatown Branch Library building is a historical building and, as such, renovations must be made to maintain the building's historical character. Also, older buildings tend to have more asbestos that must be removed before renovations can commence.

7. Mr. Abel reports that the projected shortfall of \$342,056 over and above the proposed supplemental appropriation of \$620,667 for the Chinatown Branch Library renovation project will be funded by a private fundraising project, the funds from which have not yet been appropriated by the Board of Supervisors. Mr. Abel reports that the Library has not previously requested an appropriation of these funds because they have not yet been raised and because they will be used for a separate contract for furniture and fixtures.

8. According to Mr. Abel, it was anticipated that interest earnings from the 1988 Library Improvement Bond would be one of the sources of funding for the Mission Branch Library renovation. Mr. Abel reports that the Library did not previously request Library Improvement Bond interest earnings since it was not possible to predict accurately how much of the interest earnings could be expended for the Branch renovations until the budget and funding sources for the new Main Library construction were solidified, and because an accurate estimate of the amount of interest earnings required for the Mission Branch renovation project could not yet be made. These matters have now been resolved and the proposed supplemental appropriation ordinance would

appropriate \$1,208,551 for construction contract costs for the Mission Branch renovation project.

9. The renovation and expansion of the Mission Branch Library, located at 24th Street, provides for seismic upgrading, handicapped accessibility, and an additional 1,338 square feet of public space, seating area and space for additional library collections. The renovation project is scheduled to commence in June of 1994 and to be completed by November of 1995 (approximately 18 months). During this period, the Mission Branch Library will close its 24th Street facility and will temporarily relocate to 2915-2921 Mission Street. The \$166,194 that is being requested for the Mission Branch Library relocation is to be expended on rent for the temporary facility (a total of \$144,194 or approximately \$6,554 per month for 22 months) and relocation expenses (\$22,000).

10. Mr. Abel reports that a contractor has not yet been selected for the renovation of the Mission Branch Library. Therefore, the proposed \$1,208,551 for the Mission Branch Library renovation project, which would be used for the construction contract, should be reserved, pending the selection of a contractor and the MBE/WBE status of the contractor.

- Recommendation:**
1. Amend the proposed supplemental appropriation ordinance to reserve \$1,208,551 for the Mission Branch Library renovation project, pending the selection of a contractor and the MBE/WBE status of the contractor.
 2. Approve the proposed ordinance, as amended.

Items 4 and 5 - Files 101-93-106 and 97-94-20

Department: Human Rights Commission (HRC)

Item: File 101-93-106 - Ordinance appropriating \$500,000 to establish a City Bond Support Program for MBE/WBE firms and rescinding a \$500,000 facilities maintenance project (disabled access modifications) from the Chief Administrative Officer for FY 1993-94.

File 97-94-20 - Ordinance amending the City's Administrative Code by adding Section 6.20-2 to establish a Bond Support Program for certified MBE and WBE firms.

Amount: \$500,000

Source of Funds: General Fund - Rescission of Disability Access Modifications Capital Improvement Project-Capital Access Modifications in CAO's FY 1993-94 budget.

Description: According to Mr. Ed Lee, Director of the Human Rights Commission (HRC), because many MBE and WBE firms have difficulty securing capital in the private financial markets, a lack of parity in City contracting has developed. According to the HRC's 1992-93 MBE/WBE Progress Report, in FY 1992-93, out of a total of \$366 million¹ in all City contracts awarded, \$62 million or 17 percent of the total contracts were awarded to MBE and/or WBE firms. The HRC has cited the need to assist and provide financial support in the area of surety bonds to MBE and WBE firms performing City work. By providing such financial support, the HRC would be able to assist MBE and WBE firms in improving their financial track records for future bidding opportunities.

Therefore, in cooperation with the Mayor's Office, the Mayor's Office of Community Development, and the Chief Administrative Officer (CAO), the HRC is proposing to begin the City's first Bond Support Program. Through this Program, the City would provide a total of \$500,000 in security guarantees to private surety bond companies in order to encourage those companies to issue surety bonds to MBE and WBE firms. The City would provide up to five percent of the total bond amount for individual projects, providing that the total contract cost did not exceed \$2 million. Only MBE and/or WBE firms certified by the HRC would be eligible for the Program.

¹ This amount excludes awards to non-profit organizations, Federal/State awards, and waived contracts over \$10 million.

The security guarantee is the amount which the City pays to the surety bond company protecting the surety bond company against loss if the contractor defaults. If a contractor defaults, the surety bond company may retain the security guarantee. A surety bond company provides security to the City by issuing to a contractor a surety bond in the amount of the contractor's bid, which guarantees that the contractor is able to fully perform the contract. If the contractor fails to perform the contract, the surety bond company must pay all related damages.

The proposed ordinance (File 97-94-20) would amend the City's Administrative Code by adding Section 6.20-2 to establish a Bond Support Program for eligible MBE and/or WBE firms. Section 6.20-2 would contain the following provisions:

1. Eligible Contracts - The Bond Support Program would be available for City public works contracts for which bonding requirements are imposed by State or City law and for which the total estimated contract price does not exceed \$2 million.

2. Eligible Contractors - The eligible contractor would be required to be a prime contractor, to be certified by the HRC as an MBE and/or WBE firm, and to complete a "Bonding Assistance Training Program" as offered by the HRC. This Program would consist of the following:

- Bond application assistance;
- Assistance in developing financial statements;
- Assistance in developing a pre-bond surety profile;
- Identification of internal financial control systems that the eligible contractor should possess;
- Development of accurate financial reporting tools;
- Development of systems to track costs and fund controls for jobs in progress.

3. City's Obligations Prior to Contract Award - At least ten days prior to the anticipated bid publication date for a public works contract, the Department of Public Works (DPW) would provide a brief description of the contract and the surety bond requirements for that contract to the HRC. The HRC would make available a list of all public works contracts and their surety bond requirements to MBE and WBE firms on a monthly basis. Upon the receipt of the bids for the contract, the DPW would notify the HRC as to whether an MBE or WBE contractor has submitted a bid and, given that the contractor met the surety bond requirements, whether that contractor would be the lowest and most responsible bidder.

4. Agreements between the HRC and Private Bonding Assistance Companies - The HRC would be authorized to enter into a guarantee agreement with a private surety bond company in which the HRC, on behalf of the City, agrees to guarantee payment of the first five percent of losses incurred by the private surety bond company on any bond issued for the benefit of a qualifying contractor under this Program. The guarantee agreement would include the term of the City's guarantee obligation, the type and amount of bonding company losses against which the City would provide the guarantee, and a requirement that the surety bond company attempt to utilize other funding sources to repay its losses prior to requiring payments from the City.

5. Monitoring and Enforcement - The HRC would monitor (a) the use and performance of the Bond Support Program funds, (b) the participating surety bond companies, and (c) the MBE and WBE firms.

6. Funding - The Board of Supervisors would appropriate funds for the operation of the proposed Program.

7. Term of Bonding Assistance Program - The Bond Support Program would be a two-year pilot project, to conclude at the earlier of (1) two years from the date of final adoption of the proposed ordinance by the Board of Supervisors and the Mayor, or (2) the date on which the Controller would be no longer able to certify the availability of funds for any new guarantee agreement.

The proposed ordinance (File 101-93-106) would appropriate \$500,000 for the proposed Bond Support Program by rescinding \$500,000 in previously appropriated General Fund monies for the FY 1993-94 Capital Improvement Project - Disability Access Modifications in the CAO's FY 1993-94 budget. The Mayor's Office of Community Development (MOCD) has identified \$500,000 in Community Development Block Grant (CDBG) Funds which are available to replace such funds for the Disability Access Modifications project (See Comment No. 1).

Of the \$500,000 to be provided by the City for the proposed Bond Support Program, a maximum of \$40,000 would be used to fund a consultant that would provide direct technical assistance to MBE and WBE firms seeking the services of surety bond companies. Such consultant services would include outreach, the training of eligible contractors, and negotiations with surety bond companies.

Comments:

1. According to Mr. Bernard Gunther of the MOCD, the MOCD's FY 1992-93 budget allocated over \$1 million in CDBG funds for disability access modifications. Mr. Gunther reports that \$500,000 of this amount is being expended on providing disability access upgrades for non-profit organizations. Mr. Gunther advises that the remaining \$500,000 in CDBG funds was just released by the Federal government in February, 1994 and had been targeted by the MOCD for the CAO's disability access modifications project in FY 1993-94. Mr. Gunther reports that a request for a modification to reallocate the \$500,000 in CDBG Funds to replace the General Fund project for the CAO's FY 1993-94 Capital Improvements Project - Disability Access Modifications will be submitted to the Budget Committee shortly.

2. Mr. Lee advises that the requested supplemental appropriation of \$500,000 would represent a one-time funding source for the duration of the proposed two-year Bond Support Program pilot project.

3. At the end of the two-year period, the HRC will submit a written review of the proposed Bond Support Program to the Board of Supervisors and the Mayor. At that time, based on the results of the Program, it will be determined whether the City should continue with the proposed Bond Support Program.

4. Since the consultant that would provide the aforementioned technical assistance services for the proposed Bond Support Program has not yet been selected, the \$40,000 for such consultant services (out of the total supplemental request of \$500,000) should be placed on reserve, pending the selection of a consultant, the submission of budget details, and the MBE/WBE status of the consultant.

Recommendation: 1. Amend the proposed ordinance (File 101-93-106) by placing \$40,000 on reserve for consultant services, pending the selection of the consultant, the submission of budget details, and the MBE/WBE status of the consultant.

2. Approval of the proposed ordinance (File 101-93-106), as amended, to appropriate the \$500,000 in funding, and approval of the proposed ordinance (File 97-94-20) to establish the new Bond Support Program for MBE and WBE firms, are policy matters for the Board of Supervisors.

Item 6 - File 97-94-19

Department: Human Rights Commission (HRC)
Department of Public Works (DPW)

Item: Ordinance amending the City's Administrative Code by amending Section 6.19 by allowing modification of Bid Security Requirements for certain contractors bidding on certain City public works projects; to be effective for two years from the date of final adoption of the proposed ordinance by the Board of Supervisors and the Mayor.

Description: Section 6.19 of the City's Administrative Code provides that any bid on a City public works contract with an estimated cost in excess of \$15,000 must be submitted to the Department of Public Works (DPW), and must be accompanied by either a corporate surety bond, an irrevocable letter of credit on a bank or trust company doing business in the State of California, or a certified check on a bank or trust company doing business in the State of California, payable to the City and County. The amount of this corporate surety bond, irrevocable letter of credit or certified check is to be determined by the DPW and must not be less than ten percent of the bid amount for the proposed work. The contract cannot be awarded to a contractor unless the contractor's bid is accompanied by such a corporate surety bond, irrevocable letter of credit or certified check at the time of bid acceptance. The foregoing requirements are referred to as the "Bid Security Requirements."

According to Mr. Ed Lee, Director of the Human Rights Commission (HRC), many WBE and MBE firms have difficulties meeting the City's current Bid Security Requirements under Section 6.19 of the Administrative Code prior to the deadline for submitting a bid. Under current legislation, if the lowest bidder cannot meet the foregoing requirements at the time of bid acceptance, the contract is immediately awarded to the second lowest bidder. The proposed amendment would provide the lowest bidder with ten days from the date of bid acceptance to retain the required financing before the contract could be awarded to the second lowest bidder.

The proposed ordinance would amend Section 6.19 by adding a provision that would allow for the modification of the Bid Security Requirements by the DPW. Such modification, as described below, would be permitted upon satisfaction of the following conditions:

1. Prior to advertising the proposed contract, the Contract Review Committee, which consists of officers from the CAO, the Mayor's Office, and the HRC, would be required to set aside the contract in accordance with Administrative Code Section 12D.15(F), which states that a contract may be set aside to be bid upon by only MBE and WBE firms. The Contract Review Committee would then determine whether the DPW should allow for modification of the Bid Security Requirements.

2. If the Contract Review Committee recommends that the DPW allow a modification of the Bid Security Requirements, the DPW would then include in the advertisement of the proposed contract specifications a request that contractors seeking such modification provide the following information with their bids:

- A request for modification of the Bid Security Requirements.
- A brief statement explaining the circumstances warranting such modification.
- Information describing the contractor's financial condition and ability to perform the proposed contract.

3. The DPW would then be required to determine, based on information provided by the contractor within ten days of the department's request, that strict compliance with the Bid Security Requirements would result in undue economic hardship to the bidding contractor.

4. The DPW would have to make a determination that the modification of the Bid Security Requirements would not result in unjustifiable hardship to the City, such as financial risk, a risk of nonperformance by the bidding contractor, or an unreasonable delay in the performance of the contract.

Upon satisfaction of the aforementioned conditions, the DPW could then modify the Bid Security Requirements in one of the following manners:

1. The DPW could postpone for up to ten days from the bid acceptance date the contractor's compliance with the Bid Security Requirements.

2. The DPW could require that the contractor provide a certified check in the amount of \$5,000 payable to the City and County as security in lieu of the corporate surety bond, letter of

credit on a bank or trust company, or certified check on a bank or trust company.

Comments:

1. The proposed ordinance is a two-year pilot project, during which time the HRC would monitor the results of modifying the Bid Security Requirements for MBE and WBE firms. At the end of the two-year period, the HRC would submit an analysis of the proposed ordinance to allow the modification of the Bid Security Requirements to the Board of Supervisors and Mayor. According to Mr. Lee, the results of the two-year project would determine whether the project should continue.

2. The prerequisites to the proposed modification of the Bid Security Requirements, as discussed above, provide that the proposed ordinance would apply only to contracts set aside by the Contract Review Committee for MBE and WBE firms.

3. Attached is a letter from Mr. Lee indicating that the proposed ordinance should not increase City costs.

Recommendation: Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

City and County of San Francisco

Human Rights Commission

Office of Minority/Women Business Enterprise
Office of Contract Compliance
Office of Dispute Resolution

Edwin M. Lee
Director

April 11, 1994

Harvey Rose
Budget Analyst
S.F. Board of Supervisors
City Hall
San Francisco, CA 94102

ATTN: Karen Kegg

FAX #252-0461

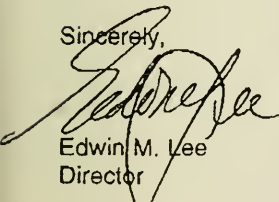
RE: Ordinance Amending Section 6.19 - Bid Security Requirements
(Board File No. 94-94-19)

Dear Mr. Rose:

In review of the draft legislation permitting a bidder, in a set-aside contract under Administrative Code 12D., an extension of ten (10) days to obtain bid security requirements, it is my view that such an extension would not increase the cost to the City. Essentially, we are permitting the low bidder additional time not presently permitted. Should the low bidder be unable to obtain the bid security requirements, the award is treated the same as it is now, to be provided to the next lowest bidder.

I trust this will clarify this aspect of the proposed amendments.

Sincerely,


Edwin M. Lee
Director

EML:mlc

cc: Supervisor Angela Alioto, President
Supervisor Willie Kennedy
Leslie Truttner, City Attorney
John Cribbs, DPW



Item 7 - File 27-94-4

Department: Airport Commission

Item: Ordinance approving a License for Use of Real Property between the National Oceanic and Atmospheric Administration and the City and County of San Francisco acting by and through its Airports Commission.

Description: Approval of the License For Use of Real Property was granted by Airports Commission Resolution No. 94-0023, adopted February 15, 1994. The term of the proposed License is for a period of 15 years.

The National Oceanic and Atmospheric Administration is planning to install an Automated Surface Observing System (ASOS) at the Airport as part of a nationwide network at no cost to the Airport. The ASOS will effectively automate the current weather observing function; enhance aviation safety by continuously reporting wind direction, speed and character, ambient temperature, dew point temperature, pressure, precipitation accumulation and obstructions to vision such as fog and haze; and contribute to improved forecasts, watches and warnings.

The ASOS program is a cooperative effort of the U.S. Departments of Commerce, Transportation and Defense to support the National Weather Service, the Federal Aviation Administration and the U.S. Navy. The National Oceanic Atmospheric Administration prepared the proposed License for Use of Real Property for the installation of the ASOS.

Under the provisions of the proposed License, the equipment is to be installed by the National Oceanic Atmospheric Administration at no cost to the Airport. However, if after the equipment is installed, the Airport requires relocation of the equipment during the next 15 years, then the Airport must reimburse the National Oceanic Atmospheric Administration for relocation expenses at a cost not-to-exceed \$75,000. The Airport has no plans to make any changes on the airfield that would require such relocation of this equipment, according to Mr. Ronald Gonzales, of the Airport.

The Airport Commission would allow the installation of the ASOS on the southeast peninsula of Airport property, adjacent to one of the runways. The License area is 100 feet in radius and includes existing National Weather Service weather instruments.

- Comments:**
1. All costs of installation, operation and maintenance of the ASOS will be paid for by the National Oceanic Atmospheric Administration, according to Mr. Gonzales, with no costs to the Airport.
 2. Mr. Gonzales states that the Airport will not charge any rental fees to the National Oceanic Atmospheric Administration because the operation of the Automated Surface Observing System (ASOS) will enhance air safety. Similarly, the Airport does not charge rental fees to the Federal Aviation Administration (FAA) when that agency installs air safety equipment at the airfield. Mr. Gonzales further reports that such free use of Airport property will not cause any loss of income to the Airport because the intended location of the ASOS is non-leasable property on the airfield.

Recommendation: Approve the proposed ordinance.

Item 8 - File 173-94-1

Department: Port of San Francisco

Item: Resolution authorizing the Executive Director of the Port of San Francisco to apply for and accept a \$4.8 million loan from the California Department of Boating and Waterways to finance, in part, the construction of the Fisherman's Wharf Commercial Fishing Harbor (known as the Hyde Street Harbor Project).

Amount: \$4.8 million loan

Source of Funds: California Department of Boating and Waterways Smallcraft Harbor Development Loan Program

Description: According to Mr. Dan Hodapp of the Port, the Hyde Street Harbor Project is an element of the Port's plan to modernize the commercial fishing facilities at Fisherman's Wharf. This plan, which was developed by the Port in the mid-1980's, includes: (1) substantial improvements to Pier 45, (2) provision of new shoreside fish distribution facilities and (3) the creation of an 88-berth harbor for commercial fishing vessels (this latter element being known as the Hyde Street Harbor Project).

Mr. Hodapp reports that the Port is currently considering two construction options for the Hyde Street Harbor Project. The first option would include new berths for 88 commercial fishing vessels, replacement of most of the existing pier, creating parking for 50 vehicles, a harbormaster's building with laundry and showers, a convenience store for fishermen and a new fuel dock with a work hoist. The Port estimates that this option would cost approximately \$8 million to construct. The second option would include the 88 new berths and the harbormaster's building, but would provide a shorter pier, fewer parking spaces, exclude the convenience store and reuse the existing fuel dock instead of constructing a new facility. The Port estimates that this option would cost approximately \$6.2 million to construct.

Preliminary design and engineering work for both options of the Hyde Street Harbor Project has already been completed and the Port will soon engage a consultant to complete the project's environmental impact report (EIR). The Port estimates that, based on the amount of time needed to complete the EIR, secure the appropriate governmental approvals and develop detailed construction drawings,

construction of the Hyde Street Harbor Project will begin about February, 1997, or in approximately three years.

In 1989, the State Department of Boating and Waterways granted a \$3 million construction loan to the Port under the State's Smallcraft Harbor Development Loan Program. The loan is now scheduled to expire on May 1, 1994, and although the Port has not drawn upon the loan (since construction has not begun), the Port wants to have access to these funds in the future. Consequently, the Port is requesting that the State extend this loan for four years, until May 1, 1998, by which time the Port will have begun construction, according to the Port's current estimates.

The Port is also requesting that the State increase the amount of the loan by \$1.8 million, from \$3.0 million to \$4.8 million, which the Port estimates is the maximum amount of debt that the Hyde Street Harbor Project can safely incur, based on the Port's estimates of potential revenue to be generated by this project. These estimated revenues would come primarily from berthing fees although revenue would also be generated, to a lesser extent, by parking and fuel dock fees.

Besides the possible extension of, and increase in, the loan from the State Department of Boating and Waterways, the Port has not secured any other funding at this time for the Hyde Street Harbor Project, which is estimated to cost between \$6.2 million and \$8.0 million. Consequently, if the Port were to select the more expensive construction option, at an estimated cost of \$8.0 million, there would be a funding shortfall for this project of approximately \$3.2 million (assuming that the State will renew the loan and increase the loan amount to \$4.8 million as the Port is requesting.) If the Port were to select the less expensive construction option, at an estimated cost of \$6.2 million, there would still be a funding shortfall for this project of approximately \$1.4 million (again assuming that the State will renew the loan and increase the loan amount to \$4.8 million as the Port is requesting). Mr. Hodapp reports that the Port is actively working to identify sources of funding to close this projected funding shortfall of between \$1.4 million and \$3.2 million.

The current annual interest rate on the loan is 4.5 percent. However, this rate could change since it is set by the California Department of Boating and Waterways at the time that the loan is granted. In addition, while the current loan has a term of 30 years, this term could change depending on the term requested by the Port in its application (which

application will be made next month) and the recommendation made by the California Department of Boating and Waterways at the time that the loan is granted.

Comments:

1. As noted above, the Port is requesting that the existing \$3.0 million loan from the California Department of Boating and Waterways, which is scheduled to expire on May 1, 1994, be extended for four years. In addition, the Port is requesting an increase in the loan amount of \$1.8 million, from \$3.0 million to \$4.8 million. However, the proposed resolution, as currently drafted, does not include this information. The proposed resolution also incorrectly states that the annual interest rate on the loan will be 4.5 percent and that the term of the loan will be 30 years. As noted above, while the annual interest rate on the loan is currently 4.5 percent, this rate could change since it is set by the California Department of Boating and Waterways at the time that the loan is granted. In addition, while the current loan has a term of 30 years, this term could change based on the term requested by the Port in its application and the recommendation made by the California Department of Boating and Waterways at the time that the loan is granted. Consequently, the following changes need to be made to the paragraph beginning on line 17, as follows: "RESOLVED, that the Executive Director of the Port of San Francisco is authorized to apply for and accept an extension for up to four years of the existing \$3.0 million loan and to apply for and accept an additional \$1.8 million loan in the total amount of \$4.8 million, instead of: a 30-year loan in the amount of \$4.8 million, at 4.5 percent interest, from the California Department of Boating and Waterways . . ."

2. As noted above, the Port has not secured at this time sufficient funds to complete the Hyde Street Harbor Project and has estimated a project funding shortfall of between \$1.4 million and \$3.2 million, depending on which of the two project options the Port selects. Consequently, the proposed resolution only authorizes the Executive Director of the Port to apply for and accept the proposed \$4.8 million loan from the State Department of Boating and Waterways and the proposed resolution does not authorize the Executive Director of the Port to expend (or draw upon) the loan.

3. A Disability Access Checklist for this project is on file with the Clerk of the Board.

Recommendations: 1. Amend the proposed resolution as noted in Comment No. 1 above.

2. Approve the proposed resolution, as amended.

Item 9 - File 165-94-3

Item: Motion directing the Budget Analyst of the Board of Supervisors to conduct a management audit of the San Francisco Police Department (SFPD)

Description: 1. The San Francisco Police Department currently employs 1,820 sworn personnel and 369 civilians. Its 1993-94 budget totals approximately \$178.9 million, including the Senior Escort Program and the Office of Citizen Complaints. Aside from the Hall of Justice, which the SFPD shares with other City Departments, the SFPD has jurisdiction over 19 different facilities, both City-owned and leased.

2. The major programs of the SFPD are shown below. Within each program shown below, there are numerous assignment units to which SFPD personnel are allocated. For example, the Patrol - District Stations program includes nine patrol districts and nine separate District Stations.

Administration

Chief's Office
Chief's Fund
Commission
Personnel Maintenance
Admin. Bureau
Fiscal Division
Legal Division
Management Control
Planning Division
Staff Services Division
Support Services Division
Workers Compensation

Hiring, Training, Promotion

Training & Education
Auditor-Monitor
Consent Decree

Field Operations

Field Operations Bureau - Command
Patrol - District Stations
Patrol - Tenderloin Task Force
Special Operations - Crime Prevention
Special Operations - Traffic
Special Event Management

Investigations

Investigations Bureau - Command
Property Crimes
Personal Crimes
Criminalistics
Juvenile
Organized Crime and Gang
Narcotics
Vice Crimes

Police Services

Taxi Permit
Police Services
Computer Services
Work Order Services

Other

Senior Escort Program
Project SAFE
Office of Citizen Complaints

**Estimated Cost of
Management
Audit:**

\$265,720 based on 4,000 staff hours at the Budget Analyst's current hourly rate of \$66.43 to conduct a comprehensive management audit of the SFPD.

The proposed management audit would be performed under our existing contract. Therefore, no additional costs would be incurred due to the performance of this management audit.

Comments:

1. The Budget Analyst conducted a management audit of the San Francisco Police Department in 1979 and 1980. Two separate management audit reports (Phase I and Phase II) were prepared as a result of this two-year project.

2. Since that time, the Budget Analyst has also conducted management audits and special analyses of the Office of Citizen Complaints, the 911 Communications System and the Senior Escort Program.

3. The existing management audit workload of the Budget Analyst includes programs affecting the homeless, a review of tax collection operations, a management audit of the Department of Public Health's Paramedic Division and a management audit of the Department of Parking and Traffic.

Based on these known and pending assignments, the proposed management audit of the Police Department would not begin until calendar year 1995.

Memo to Budget Committee
April 13, 1994 Meeting of the Budget Committee

Recommendation: Approval of the proposed motion is a policy matter for the Board of Supervisors.

Item 10 - File 100-94-7

This item is a hearing on the progress of the Zero-Base Budget Analysis project, now being jointly conducted by the Budget Analyst and the Mayor's Fiscal Office. The purpose of the project is to evaluate the costs and performance of all activities of the larger General Fund departments rather than analyzing line-item expenditures, in the interest of reducing General Fund costs or increasing revenues. Each of these functions and costs, whether new or existing, will have to be justified and proven to be effective.

Key assumptions of this project are:

- ☐ Departments will not necessarily receive their prior year's appropriation level.
- ☐ Department budgets must be justified in their entirety.
- ☐ Existing programs, positions and levels of expenditure are not assumed to be justified; all existing expenditures and positions will be reviewed.
- ☐ Any proposed new programs, expenditures, and positions will be similarly reviewed.

The departments being reviewed are the larger General Fund departments and selected smaller departments whose operations are significant in terms of General Fund revenue collections. Collectively, the departments under review account for 87 percent of all General Fund expenditures excluding capital projects and State and Federal revenue. A listing of the departments included in the analysis is shown in Attachment I.

Presentation of Results

A draft version of the final report format is attached (Attachment II) to show how the information collected will be presented. The Sheriff's Department Administration division is presented for illustrative purposes. As shown, the following information would be included:

- | | |
|--------|--|
| Page 1 | Department Summary <ul style="list-style-type: none">- Mission Statement- Costs and Revenues by Program- 1994-95 Expenditures and Revenues by Program including Department Request, Mayor's Office Recommended, and Budget Analyst Recommended |
| Page 2 | Administration Sub-program Descriptions, FTE, and Costs for 1993-94 and 1994-95. Department ranking of sub-programs presented. |

Page 3	Performance Measures and Objectives by Sub-program
Page 4	Impact of Funding Adjustments on Program
Page 5	Department Requested and Mayor's and Budget Analyst's Recommended Program Funding Level. Explanation of any Differences Presented
Page 6	Policy Options (i.e., non-mandated programs that could be discontinued at the discretion of the City and County)

Project Timing

The plan for this project is to finalize the recommendations by the end of April, 1994. The results will be presented to the Budget Committee and then be used by the Mayor's Office in compiling the Mayor's Recommended 1994-95 budget. It is assumed that some of the recommendations may be incorporated into the Mayor's budget. Those that are not can be further reviewed by the Budget Committee during the June budget hearings.

Project Issues

Issues affecting the project at this point include:

- Not all departments have finalized their 1994-95 budget requests at this point and continue to work with the Mayor's Office on meeting the Mayor's General Fund expenditure allocations;
- Salary standardization and the results of collective bargaining processes now underway are not yet included in the proposed 1994-95 budget; we do not anticipate resolution of all salary matters prior to completion of our Zero-Base analyses;
- The Mayor's determination of the recommended 1994-95 budget is still in progress and will not be finalized until after our final Zero-Based Analysis report is submitted to the Budget Committee. Therefore, comparisons of our Zero-Base reports with the Mayor's final recommended budget will be subject to significant changes.

All of these issues affect the analysis in that we are attempting to analyze the department's requests and recommend a 1994-95 funding level.

Attachment I

Departments Being Reviewed in Zero-Base Budget Analysis

1. Police Department
2. Fire Department
3. MUNI Railway
4. Department of Social Services*
5. Sheriff
6. Community Mental Health
7. Community Public Health Services
8. San Francisco General Hospital
9. Superior Court
10. Juvenile Court
11. Municipal Court
12. Public Library
13. District Attorney
14. Public Defender
15. Treasurer-Tax Collector*
16. Assessor*
17. Laguna Honda Hospital
18. Recorder*

* Limited scope reviews concentrating either on General Fund programs or revenue issues.

Department: SHERIFF

Mission Statement:

- Maintain and operate a safe and secure jail system
- Provide security for the Superior and Municipal Courts
- Provide execution and service of civil court orders, processes, and notices
- Develop and maintain alternatives to incarceration

1993-94 Budgets by Program

1993-94				
Mayor's Budget Programs	FTE	Costs	Revenues	Net General Fund
1 Custody	447	\$44,071,021	\$1,211,318	\$42,859,703
2 Court Security/Civil	97	\$6,327,558	\$490,000	\$5,837,558
3 Administration	41	\$3,405,406	\$346,022	\$3,059,384
<i>Subtotal</i>	585	\$53,803,985	\$2,047,340	\$51,756,645
Capital Improvements		\$304,588		
TOTAL	585	\$54,108,573	\$2,047,340	\$51,756,645

1994-95

	1994-95 Expenditures		1994-95 Revenues	
	Department	Mayor	Department	Mayor
1 Custody				
2 Court Security/Civil				
3 Administration				
TOTAL				

4/11/94

Sub-program Descriptions and Costs

Department: SHERIFF
Program: Administration

Description

Sub-programs ranked by department:

	Description	1993-94		1994-95	
		FTE	Cost	FTE	Cost
1	Office of Sheriff	3			
2	Legal Counsel	2			
3	Public Information	1			
4	Ombudsman	1			
5	Special Assistant	1			
6	Capital Improvements	2			
7	Background	3			
8	R&D: I.S., Vehs, Spl Prjts	3			
9	Internal Affairs/Investigator	3			
10	Personnel	2			
11	Training	5			
12	Payroll	2			
13	Purchasing	1			
14	Fiscal Services	3			
15	Community/Public Relations Senior Assistance Program; assists Civil evictions	1			
16	City Hall Security	7			
	Metal Detectors at City Hall				
TOTAL		40		0	

4/11/94

**Department: Sheriff
Program: Administration**

Sub-program's tracked by department:

- 1 Office of Sheriff
- 2 Legal Counsel
- 3 Public Information
- 4 Ombudsman
- 5 Special Assistant
- 6 Capital Improvements
- 7 Background
- 8 R&D: I.S., Vehicles, Spl Projects
- 9 Internal Affairs/Investigation
- 10 Personnel
- 11 Training
- 12 Payroll
- 13 Purchasing
- 14 Fiscal Services
- 15 Community/Public Relations
- 16 City Hall Security

Objectives/Performance Measures:

Successful lawsuits against department

Disputes successfully mediated
Grants awarded to department

Capital projects completed on-time and on-budget

Officers in compliance with POST Training requirements

Budget to actual expenditures & revenues within 3%

1992-93

1993-94

Impact of Funding Adjustments and Recommendations

Department: Sheriff.
Program: Alternatives

Impact of Funding Adjustments:

1993-94 Funding Level: \$3,405,406

% 1993-94 \$ Amount Impact

0% \$0 Department would cease to provide....
(\$3,405,406)

80% \$2,724,325
(\$681,081)

95% \$3,235,136
(\$170,270)

110% \$3,745,947
\$340,541

Other: ##%

4/11/94

Recommendations

Department: Sheriff.
Program: Administration

Recommended 1994-95 Funding Levels:

Department	Mayor's Office	Budget Analyst
\$	\$	\$

Explanation of Differences:

4/11/94

Policy Options

Department: Sheriff.
Program: Administration

Policy Options for 1994-95

Item 11 - File 101-93-48

Note: This item was continued by the Budget Committee at its meeting of April 6, 1994.

Department: Mayor's Office of Community Development (MOCD)

Item: Supplemental Appropriation for the Mayor's Office of Community Development (MOCD) for contractual services to manage the City's Day Laborer Program.

Amount: \$20,000

Source of Funds: Day Laborer Program General Fund Reserve Established by the Board of Supervisors in the FY 1993-94 Budget.

Description: The proposed supplemental appropriation would increase the Day Laborer Program in the approved FY 1993-94 budget for the Mayor's Office of Community Development (MOCD) by \$20,000 from \$75,000 to \$95,000. The Day Laborer Program had a \$100,000 budget in FY 1992-93 when it was administered by the Public Guardian.

The Day Laborer Program helps individuals to find casual day work. The program provides for a trailer, referred to as the Day Laborer Hiring Hall, parked at Franklin Square (Hampshire and 17th Streets) which provides a centralized location from which day laborers can solicit employment.

The purpose of the Day Laborer Program is to meet the needs of day laborers who are congregating primarily on street corners in the areas of Duncan and Valencia Streets, Army and Mission Streets and South Van Ness Avenue and Army Street. Other street locations, as yet to be designated, are to be added to these locations to permit a possible future expansion of the Day Laborer Program, funds permitting. In addition, the Day Laborer Program is to eliminate unfair labor practices that have previously occurred when employers have hired day laborers.

Currently, employers who hire day laborers are asked to register with the Day Laborer Program. This procedure allows MOCD program personnel to monitor employment activities that will minimize violations related to fair wages and employee hours. The Day Laborer Program is also intended to help alleviate the problems associated with large groups of laborers congregating in either commercial or residential zones of the City.

At the present time, the Day Laborer Program is administered directly by the Mayor's Office of Community Development (MOCD), at an annual cost, including related expenses, of \$109,939. Until February, 1994, the program was staffed with two on-site MOCD temporary employees. Mr. Wayne Lawrence of the MOCD advises that one of the temporary employees resigned at that time, and the program is currently being administered directly by one MOCD temporary on-site employee. MOCD advises that the Day Laborer Program will be managed by a non-profit corporation under a contract with the Coalition for Immigrant and Refugee Rights and Services (CIRRS). MOCD selected CIRRS through a competitive bidding process. Mr. Lawrence states that the existing temporary MOCD employee will be terminated by the MOCD when the contract begins, and may be hired by CIRRS.

Comments:

1. As indicated above, Mr. Lawrence reports that MOCD will transfer the direct administration of the Day Laborer Program from the MOCD to a nonprofit agency, the Coalition for Immigrant and Refugee Rights and Services (CIRRS), if the Board of Supervisors approves this requested supplemental appropriation ordinance for \$20,000, as well as the pending Proposition J certification for the contract with CIRRS. Mr. Lawrence expects the proposed Proposition J certification to be submitted for final approval at the May 2, 1994 meeting of the Board of Supervisors. The FY 1993-94 CIRRS contract, in the amount of \$15,828, would be for a period of two months, from May 2, 1994 to June 30, 1994. The contract would be administered by the MOCD. Mr. Lawrence states that he anticipates that the same contractor would manage the Day Laborer Program during FY 1994-95, at an annual cost of \$94,965.

2. Although a Proposition J analysis has not yet been submitted to the Board of Supervisors for certification, the Controller's Office states that "the requirements of Charter Section 8.300-1 relative to the Controller's findings that 'work or services can practically be performed by private contract' for Fiscal Year 1994-95 have been satisfied." The Controller's Office further states that, "Since it is less expensive to contract out for these services in Fiscal Year 1994-95, it would similarly be less expensive to contract out for these services for the remaining months of Fiscal Year 1993-94."

3. CIRRS proposes to operate the Day Laborer Program at an annual cost of \$94,965, compared to an estimated annual cost of \$109,939 if the program is managed directly by MOCD using Civil Service personnel. The expected annual savings in FY 1994-95 from contracting the Day Laborer Program would be \$14,974.

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Budget Committee
 April 13, 1994 Meeting of Budget Committee

4. Mr. Lawrence advises that MOCD's in-house costs for direct management of the program during FY 1993-94 through April 30, 1994, are projected to total \$84,101. Mr. Lawrence further advises that the cost of a two month contract with the CIRRS would be \$15,828. Therefore, total FY 1993-94 costs of the Day Laborer Program are estimated at \$99,929, as detailed below:

<u>Description</u>	<u>Amount</u>
Projected In-House MOCD Program Expenditures for the Ten Month Period, 7/1/93 through 4/30/94	
Temporary Salaries for Program Staff	
1 9732 Community Development Assistant	\$19,496
1 1426 Senior Clerk Typist	13,770
Mandatory Fringe Benefits	4,026
Salaries for MOCD Administrative Staff	
.37 FTE 9776 Supervising Community Dev't Spec.	21,762
.26 FTE 1650 Accountant	9,777
Mandatory Fringe Benefits	4,731
Non-Personnel Services (utilities, telephone trailers, water, scavenger)	8,124
One month severance for Temporary Employee	<u>2,415</u>
In-House MOCD Costs for 7/1/93 through 4/30/94	84,101
CIRRS Contract Expenses for period from May 2, 1994 through June 30, 1994	<u>15,828</u>
TOTAL FY 1993-94 projected program expenditures	\$99,929

5. The total cost of the program is estimated to exceed the funds provided in the original budget and this proposed supplemental, as follows:

Total Expected FY 1993-94 Program Cost	\$99,929
Original FY 1993-94 Day Laborers Program Budget	75,000
Proposed Supplemental Appropriation	<u>20,000</u>
Less: Total Anticipated Program Funds FY 1993-94	<u>\$95,000</u>
Additional amount of needed funds	\$4,929

Mr. Lawrence states that the MOCD will absorb the \$4,929 projected shortfall in the FY 1993-94 Day Laborer Program budget, after approval of this proposed supplemental

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Budget Committee
April 13, 1994 Meeting of Budget Committee

appropriation, from surplus funds available within the existing
MOCD FY 1993-94 budget.

Recommendation: Because approval of the proposed supplemental appropriation would result in contracting out the Day Laborer Program for the first time, approval of this proposed ordinance is a policy matter for the Board of Supervisors.

Item 12 - File 101-93-95

Note: This item was continued by the Budget Committee at its meeting of April 6, 1994.

Department: Port

Item: Supplemental Appropriation Ordinance appropriating \$1,336,856 for the Port for capital improvement and facilities maintenance projects and debt service payments for fiscal year 1993-94.

Amount: \$1,336,856

Source of Funds: \$1,108,000 - San Francisco Harbor Operating Fund
228,856 - 1984 Port Revenue Bond Fund
\$1,336,856 - Total

Description: The Port's requested supplemental appropriation in the amount of \$1,336,856 would be used by the Port to fund five projects and to make payment towards debt service as follows:

Seismic Safety Building Survey Project - \$200,000

This project involves surveying approximately eight Port-owned unreinforced masonry buildings with respect to soil, asbestos and masonry conditions. The Port advises that a Request for Proposals (RFP) has not yet been issued by the Port to acquire the necessary consultant services to conduct the survey.

Waterfront Land Use Plan Project - \$539,000

The Waterfront Land Use Plan will consist of the following three phases: (1) identifying how much Port land should be reserved for water-dependent maritime activities, (2) addressing the range of non-maritime uses that should be considered for development on Port property, including public recreation and open space and public access opportunities in connection with new development and (3) reconciling the land use recommendations produced in the first two phases, in order to produce a balanced Waterfront Plan that is financially feasible and can be implemented. The Port advises that RFPs have been issued to acquire the necessary consultant services to implement the tasks associated with the plan. However, according to the Port, specific contractors have not, as yet, been selected. The Port's projected expenditures for the \$539,000 are as follows:

Environmental Impact Review (EIR)	\$390,000
Contingency (10% of EIR)	39,000
Graphic Design Consultant	20,000
Printing and Mailing	20,000
City Planning	<u>70,000</u>
Total	\$539,000

Pier 45 Repairs Project - \$119,000

The proposed repairs to Pier 45 involve the repair to the Pier's fender system (a wooden construction of piles and timbers that form a cushion between the pier and a vessel). The requested \$119,000 would be used to pay for work to be performed by Port staff, materials and supplies and the rental of equipment. The Port estimates that the \$119,000 will be expended as follows:

Lumber	\$99,200
Hardware	2,800
Debris Removal (Port)	13,000
Equipment Rental	<u>4,000</u>
Total	\$119,000

Ferry Building Renovation Project - \$250,000

This project involves the complete restoration of the historic Ferry Building. The Port advises that the following principles will guide this restoration: (1) transportation will be the primary theme and focus of the building, (2) water-based transportation activities will be increased in the building's surroundings, (3) the ground level of the building will be opened up to encourage public access and visibility to the Bay, (4) the sky lit gallery on the second level of the building will be restored where possible as the principal public area, (5) uses of the building will be a blend of public and commercial, depending on market and financial feasibility and (6) the public nature of the building will be emphasized. The Port advises that the requested \$250,000 would be used to pay for development feasibility analysis, design and planning for this project. The Port advises that an RFP has been issued by the Port to acquire the necessary consultant services to perform this work. However, according to the Port, a specific contractor has not, as yet, been selected.

PG & E Work at Pier 80 - \$194,575

This project involves Pacific Gas & Electric (PG & E) utility work which must be performed in order to provide upgraded electrical power to the North Container Terminal at Pier 80. This work involves, in part, the undergrounding of the existing overhead wires on the Pier. The Port advises that PG & E is being paid for this work because, pursuant to the State of California Public Utilities Commission Rule 20C, the Port is responsible for paying all costs associated with undergrounding the existing facilities.

Payment towards Debt Service - \$34,281

The Port advises that the current unreserved fund balance in the Port's 1984 Revenue Bond Fund is \$228,856. The Port is proposing to pay \$194,575 for the work to be done by PG & E at Pier 80 from this Fund, which would leave a remaining balance of \$34,281. The Port is proposing to use this remaining \$34,281 to pay debt service on the 1984 Revenue Bond which is due in 1993-94.

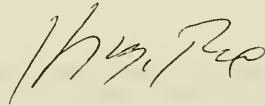
Comments:

1. The Port previously advised that due to an administrative oversight, the \$250,000 for the Ferry Building was incorrectly included in this supplemental appropriation request. However, the Port now advises that the \$250,000 for this project should be included as a part of this supplemental appropriation request and that the information which was previously reported to the Budget Analyst was incorrect. We are requesting an explanation in writing from the Port on this matter.
2. As noted above, the Port has not, as yet, selected the contractors for the Seismic Safety Building Survey (\$200,000), the Ferry Building Renovation Project (250,000) and the Waterfront Land Use Plan (\$469,000). As such, \$919,000 should be placed on reserve pending the Port's submission of contract cost details, including hours and hourly rates where appropriate, and the MBE/WBE status of the contractors. Additionally, as of the writing of this report, the cost details for the expenditure in connection with City Planning services for the Waterfront Land Use Plan, were unavailable. Therefore, \$70,000 should be placed on reserved pending the Port's submission of expenditure details on the City Planning services in connection with the Waterfront Land Use Plan, bringing the total amount to be placed on reserve to \$989,000.

Memo to Budget Committee
April 13, 1994 Budget Committee Meeting

3. The Port has requested that this item be continued to the Budget Committee meeting on April 20, 1994, in order to allow the Port to have additional time to provide information on the need for planning studies in connection with the Waterfront Land Use Plan Project.

Recommendation: Continue this item to the Budget Committee meeting on April 20, 1994, as requested by the Port.



Harvey M. Rose

cc: Supervisor Hsieh
President Alioto
Supervisor Bierman
Supervisor Conroy
Supervisor Hallinan
Supervisor Kaufman
Supervisor Kennedy
Supervisor Leal
Supervisor Maher
Supervisor Migden
Supervisor Shelley
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Robert Oakes
Ted Lakey

SF
590.07

/// CALENDAR ... ACTION

DOCUMENTS DEPT.

#2

/// BUDGET COMMITTEE
/// BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

AUG 27 1996

SAN FRANCISCO
PUBLIC LIBRARY

4/20/94

WEDNESDAY, APRIL 20, 1994 - 1:00 P.M.

ROOM 228, CITY HALL

PRESENT: SUPERVISORS HSIEH, ALIOTO, BIERMAN

CLERK: MARY L. RED

1. File 205-93-1. Hearing to consider the management and oversight of funds generated from the War Memorial Center for veterans programs and how to maximize local programs for veterans. (Supervisor Alioto)
(Continued from 3/16/94)

ACTION: Hearing held. Consideration continued to call of the Chair.

2. File 207-94-3. [Police Facilities, Work Authorization] Resolution authorizing work for the remodeling of Park Police Station and Golden Gate Park Police Stables. (Supervisor Alioto, Hsieh, Bierman)
(Continued from 3/16/94)

ACTION: RECOMMENDED. (Supervisors Hsieh and Bierman added as cosponsors)

3. File 101-90-86.4. [Reserved Funds, Police Stables, Golden Gate Park] Hearing requesting release of reserved funds, Police Department, in the amount of \$245,000, for Golden Gate Park Police stables. (Police Department) (Continued from 3/16/94)

ACTION: Release of reserved funds in the amount of \$245,000 approved. FILED

4. File 101-91-75.2. [Reserved Funds, Police Department, Park Station] Hearing requesting release of reserved funds, Police Department, in the amount of \$450,000, for the remodelling of Park Station. (Police Department) (Continued from 3/16/94)

ACTION: Release of reserved funds in the amount of \$450,000 approved. FILED

5. File 101-91-74.5. [Reserved Funds/Park Police Station/Seismic Upgrade] Hearing requesting release of reserved funds, Department of Public Works, 1990 Earthquake Safety Bond Fund, in the amount of \$902,000, for the seismic upgrade of the Park Police Station. (Department of Public Works) (Continued from 3/16/94)

ACTION: Release of reserved funds in the amount of \$902,000 approved. FILED

6. File 101-93-96.1. [Appropriation, Sheriff Department] Ordinance appropriating \$84,040, Sheriff Department, Jail Overcrowding Fine Revenue to expand the Residential Care Program to minimize jail overcrowding for fiscal year 1993-94 (includes other non-personal services). (Controller)
(Continued from 3/23/94)

ACTION: Hearing held. Question divided. Question on funding Thurgood Marshall until City Planning Appeal May 18, severed and considered separately under File 101-93-96.2. Amendment of the Whole placing \$74,040 on reserve, adopted.

New title: "Ordinance appropriating and reserving \$74,040, Sheriff Department, Jail Overcrowding Fine Revenue to expand the Residential Care Program to minimize jail overcrowding for fiscal year 1993-94 (includes other non-personal services)." CONSIDERATION CONTINUED TO MAY 25.

File 101-93-96.2. Amendment of the Whole appropriating \$10,000, adopted. RECOMMENDED AS AMENDED. New title: "Ordinance appropriating \$10,000, Sheriff Department, Jail Overcrowding Fine Revenue to expand the Residential Care Program to minimize jail overcrowding for fiscal year 1993-94 (includes other non-personal services)."

7. File 101-93-95. [Appropriation, Port of San Francisco] Ordinance appropriating \$1,336,856, Port, for capital improvements, facilities maintenance projects and debt service payments for fiscal year 1993-94; funded from San Francisco Harbor Operating Fund (\$1,108,000) and 1984 Port Revenue Bond fund (\$228,856). RO 393230 (Supervisor Alioto)
(Continued from 4/13/94)

ACTION: Amendment of the whole (reflecting Budget Analyst recommendations) adopted. New title: "Ordinance appropriating \$1,336,856, Port, for capital improvements, facilities maintenance projects and debt service payments for fiscal year 1993-94; funded from San Francisco Harbor Operating Fund (\$1,108,000) and 1984 Port Revenue Bond fund (\$228,856); placing \$989,000 on reserve." RECOMMENDED AS AMENDED.

8. File 101-93-24.2. [Reserved Funds, Superior and Municipal Courts] Hearing requesting release of reserved funds, Superior and Municipal Courts, in the amount of \$102,080, for contractual services for the new courthouse site. (Superior and Municipal Courts)

ACTION: Release of reserved funds in the amount of \$102,080 approved. FILED.

9. File 101-93-89.1. [Reserved Funds, DPW, Rankin Pump Station, Phase 3] Hearing requesting release of reserved funds, Department of Public Works, in the amount of \$19,910,000, for Phase 3 of the Rankin Pump Station and SEWPCP Improvement Project. (Department of Public Works)

ACTION: Release of reserved funds in the amount of \$18,148,184 approved, continue to reserve \$1,761,816. (See Budget Analyst report for explanation)

10. File 101-93-110. [Appropriation, Chief Administrative Officer] Ordinance appropriating \$235,146, Chief Administrative Office, unreinforced masonry building bond proceeds to administer the Seismic Safety Loan Program for fiscal year 1993-94 (includes permanent salaries and mandatory fringe benefits for the creation of five positions, professional and non-personal services, materials and supplies, equipment and services of other departments); companion measure to File 102-93-31. RO #93270 (Supervisors Alioto, Hsieh, Bierman)

ACTION: Amendment of the Whole (reflecting Budget Analyst recommendations) adopted. New title: "Ordinance appropriating \$206,787, Chief Administrative Office, unreinforced masonry building bond proceeds to administer the Seismic Safety Loan Program for fiscal year 1993-94 (includes permanent salaries and mandatory fringe benefits for the creation of five positions, professional and non-personal services, materials and supplies, equipment and services of other departments); placing \$15,000 on reserve." RECOMMENDED AS AMENDED. (Supervisors Alioto, Hsieh, Bierman added as sponsors)

11. File 102-93-31. [Chief Administrative Officer, Add 5 Positions] Ordinance amending Annual Salary Ordinance, 1993-94, Chief Administrative Officer, reflecting the addition of five positions (Classifications 1375, Special Assistant XVI, 1373 Special Assistant XIV, 1370 Special Assistant XI, 1366 Special Assistant VII and 1365 Special Assistant VI); companion measure to File 101-93-110. (Supervisors Alioto, Hsieh, Bierman)

ACTION: RECOMMENDED. (Supervisors Alioto, Hsieh, Bierman added as sponsors)

12. File 101-93-107. [Appropriation, Mental Health Substance Abuse] Ordinance appropriating \$142,847, Department of Public Health, Division of Mental Health Substance Abuse and Forensic Services of jail overcrowding fine revenue to medical services contracts, to provide case management services for mentally ill inmates (minimize jail overcrowding) for fiscal year 1993-94. RO #93268 (Supervisor Alioto)

ACTION: Amendment of the Whole reflecting Supervisor Hsieh's recommendation for a review of program in December 1994, adopted. New title: "Ordinance appropriating \$142,847, Department of Public Health, Division of Mental Health Substance Abuse and Forensic Services of jail overcrowding fine revenue to medical services contracts, to provide case management services for mentally ill inmates (minimize jail overcrowding) for fiscal year 1993-94; requesting report from the Department of Public Health by December 1, 1994, regarding the Case Management Program financed by this ordinance." RECOMMENDED AS AMENDED. (Supervisor Alioto added as sponsor)

13. File 23-94-2. [Waive Statute of Limitations, \$16,422.25] Resolution waiving the statute of limitations with respect to payment of certain warrants of the City and County of San Francisco, the sum of \$16,422.25 a legal obligation of the City and County of San Francisco. (John B. Sullivan \$89.25, and Lone Pine Koala Sanctuary \$16,333.) (Controller)

ACTION: RECOMMENDED.

14. File 38-94-3. [Gift Acceptance, Emergency Diesel Generator] Resolution accepting gift of an emergency diesel generator valued at approximately \$1 million for the Office of Emergency Services for eventual use in the combined 911 facility and the Emergency Command Center. (Supervisor Alioto)

ACTION: RECOMMENDED. (Supervisor Alioto added as sponsor)

15. File 69-94-3. [Public Access Fund] Motion directing the Clerk of the Board of Supervisors to request a supplemental appropriation to make the balance of funds available in the 1992-93 and 1993-94 Viacom Franchise Public Access Fund for use by the three public access cable television channels. (Supervisors Migden, Hsieh, Alioto, Bierman)

ACTION: Amendment of the Whole (as presented by Supervisor Migden's staff) adopted. New title: "Motion directing the Clerk of the Board to submit appropriation ordinance requests and to take other steps to enable the entire balance in the Cable Television Access and Development Fund to be distributed quarterly for public, educational, and municipal access." RECOMMENDED AS AMENDED. (Supervisors Hsieh, Alioto, Bierman added as cosponsors)

16. File 32-94-1. [Cable Television Access Development Fund] Resolution urging the Mayor to approve a supplemental appropriation in the amount of \$76,000, for reference to the Board of Supervisors, to disperse funds in the Cable Television Access Development and Programming Fund for public, educational and municipal access activities. (Supervisor Migden)

ACTION: TABLED at request of sponsor.

17. File 7-94-6. [World Cup Soccer Ticket] Resolution amending the Municipal Railway fare schedule to include a one-time \$75 regional transit pass to be used on Muni and other Bay Area transit systems during the summer of 1994, in conjunction with the World Cup Soccer tournament games. (Supervisors Hsieh, Alioto, Bierman)

ACTION: RECOMMENDED. (Supervisors Alioto and Bierman added as cosponsors)

07
CITY AND COUNTY



Public Library, Documents Dept.
ATTN: Jane Judson
OF SAN FRANCISCO

DOCUMENTS DEPT.

APR 20 1994

SAN FRANCISCO
PUBLIC LIBRARY

0194
// **BOARD OF SUPERVISORS**

BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

April 18, 1994

TO: // Budget Committee

FROM: // Budget Analyst

SUBJECT: April 20, 1994 Budget Committee Meeting

Item 1 - File 205-93-1

Note: This item was continued at the March 16, 1994 Budget Committee meeting.

1. This item is a request to consider the management and oversight of funds generated from the War Memorial Center for veterans programs and how to maximize local programs for veterans.

2. In 1918, a group of San Francisco citizens became interested in constructing a Symphony Hall, which was then expanded to include an Opera House and an Art Museum. During the next two years, an option was purchased for the lot bounded by Hayes, Franklin, Grove and Van Ness (the current site of Davies Symphony Hall). In 1920, members of the newly-formed American Legion suggested that the project be designated as San Francisco's War Memorial. This idea was accepted and a public City-wide fund drive for this effort raised over \$2 million. The Regents of the University of California were designated as Trustees for these subscribers.

On August 19, 1921, a formal trust agreement was signed between the Regents of the University of California and the leaders of the initial group of citizens, who were designated as Trustees of the War Memorial. (In 1930, the City agreed to take over the Regents' responsibilities under the Trust.) When this Trust Agreement was established, it was thought that three buildings would be constructed using the \$2 million in subscriptions. The Trust Agreement named two organizations — the San Francisco Art Association (now the Museum of Modern Art) and the San Francisco Posts of the American Legion — to occupy two of the buildings. Preferential right for use of the third building, a theatre or auditorium, was given to the Musical Association of San Francisco (now the San Francisco Symphony).

3. The San Francisco Posts of the American Legion established an American Legion War Memorial Commission (ALWMC), which now consists of one representative from each post, to carry out the provisions of the Trust Agreement for the ALWMC.

4. The responsibilities of the San Francisco Posts of the American Legion and the Museum of Modern Art, according to the Trust Agreement, include: (1) to perform all interior upkeep and repair (Section 9(d)); and (2) to pay for all heat, light, gas, electricity, water, steam or other public utility used on their premises, and for all janitor and elevator service (Section 9(l)). Both organizations are exempt from rent payments to the City (Section 9(a)). The Museum of Modern Art currently reimburses the War Memorial and Performing Arts Center for its utility and elevator costs, and provides its own janitorial staff and services. The ALWMC does not pay these costs, even though the Trust Agreement specifically states that such costs are the obligation of the ALWMC. Also, the War Memorial supports maintenance and upkeep services for the entire Veterans Building, such as engineers' and gardener's salaries.

5. According to Ms. Beth Murray of the War Memorial and Performing Arts Center, pursuant to a 1977 agreement between the War Memorial Board of Trustees and ALWMC, the War Memorial and Performing Arts Center provides an annual payment to the ALWMC to cover the costs of the ALWMC's administration, currently at \$20,000 per year. In exchange, the ALWMC has granted the War Memorial Board of Trustees the exclusive right to manage, control and derive revenue from the Veterans Auditorium (now the Herbst Theatre) and the Green Room. This agreement also provides for an annual payment of \$6,000 to the American Legion War Memorial Commission from the Museum of Modern Art in exchange for space in the Veterans Building, which space was relinquished by the ALWMC to the Museum in 1977.

6. The ALWMC is empowered, according to the Trust Agreement, to provide headquarters for "Veterans of the Mexican War, Grand Army of the Republic, Spanish-American War Veterans, and such other patriotic organizations as said San Francisco Posts of the American Legion may from time to time desire to install." In other words, the ALWMC may grant space in the Veterans Building to veterans organizations other than San Francisco American Legion Posts. According to Mr. Charles Oswald of the American Legion, approximately one-half of the first floor of the Veterans Building is allocated to veterans organizations for office space, including Disabled American Veterans, Veterans of Foreign Wars, Swords to Ploughshares, and Jewish War Veterans. The second floor of the Veterans Building, other than the Green Room, is devoted to meeting rooms for veterans and veterans organizations.

7. It is currently the responsibility of the ALWMC to allocate space in the Veterans Building and to schedule meetings in the second floor meeting rooms. The \$26,000 in total annual funds received by the ALWMC from the War Memorial and the Museum of Modern Art (see Comment 5) support a part-time office manager and

operating expenses (such as telephone, postage, copy service, and bank fees) to execute these scheduling and space allocation responsibilities.

8. According to Dr. Paul Hardman, the Alexander Hamilton Post representative on the American Legion War Memorial Commission and a member of the Mayor's Veterans Affairs Council, the subject of the proposed hearing should read "War Memorial Commission" (i.e., American Legion War Memorial Commission), not "War Memorial Center."

9. Dr. Hardman states that the American Legion has not allocated resources as effectively as possible for the benefit of San Francisco veterans. According to Dr. Hardman, veterans organizations are not always granted space in the Veterans Building. Dr. Hardman alleges that the funds provided by the City to the Commission are used for other than legitimate purposes.

10. Based on financial summaries provided by the American Legion, the Budget Analyst was unable to support this allegation. (\$17,100 of the American Legion's total \$28,357 budget supports a part-time office manager. This \$17,100 represents 60.3 percent of the American Legion's total budget of \$28,357 and 85.5 percent of the City's \$20,000 support.)

11. Dr. Hardman advises that the Mayor's Veterans Affairs Council would be a more appropriate agency to administer the Trust Agreement than the American Legion War Memorial Commission, since: (1) the Veterans Affairs Council is a City agency; (2) members of the Veterans Affairs Council must be San Francisco residents, while American Legion Post representatives to the War Memorial Commission are not always San Francisco residents; and (3) the Veterans Affairs Council would operate more efficiently with minimal City funds.

Whether or not the Veterans Affairs Council would allocate resources more appropriately in the Veterans Building than the American Legion War Memorial Commission is irrelevant, however, according to a June 1, 1987 published opinion by the City Attorney. This opinion answered the question "May the War Memorial Board of Trustees order that the American Legion War Memorial Commission be dismantled and no longer act as agent for the San Francisco Posts of the American Legion with respect to use of space in the War Memorial Veterans Building dedicated to the Posts by the Board?" In response, the City Attorney wrote: "The War Memorial Board of Trustees may not order that the American Legion War Memorial Commission be dismantled and no longer act with respect to use of space."

12. According to Section 3.610 of the San Francisco Charter, the Board of Trustees of the San Francisco War Memorial shall have charge of the construction, administration and operation of the War Memorial and of the grounds set aside therefor. The Charter does not indicate that the War Memorial Board of Trustees should have any responsibility for local programs for veterans. Also, the Trust Agreement does not mention any responsibility for local programs for veterans to be provided by the Board of Trustees or the San Francisco Posts of the American Legion. The Trust Agreement provides that the San Francisco Posts of the American

Legion may occupy the Veterans Building, and may provide space to other patriotic organizations at its pleasure.

13. On March 14, 1994, Dr. Hardman forwarded the attachment to the Budget Analyst's Office, entitled the San Francisco City and County Veterans Affairs Commission. As reflected in this attachment, Dr. Hardman is now requesting that the American Legion War Memorial Commission be reconstituted to reflect the changing demographics by granting each active war veteran organization the right to elect a delegate to the American Legion War Memorial Commission if they have at least 15 members and are actively using the War Memorial Veterans' Building as a recognized war veteran beneficiaries. Furthermore, Dr. Hardman is now requesting that a thorough inventory check be made to account for the missing City assets assigned to the War Memorial for war veterans use and enjoyment.

14. According to Ms. Kathryn Pennypacker of the City Attorney's Office, the American Legion War Memorial Commission is a standing committee of the American Legion, which is a private organization. The City has no control or authority over the American Legion or the American Legion War Memorial Commission. Therefore, if Dr. Hardman wishes to reconstitute the representation on the American Legion War Memorial Commission, this request should be directed to the American Legion.

Furthermore, Ms. Pennypacker reports that, over the last ten years, several audits have been conducted at the War Memorial concerning use of funds and assets by the various organizations that use the War Memorial Veterans Building, including an audit by the Budget Analyst's Office in 1985. None of these audits have shown significant financial discrepancies, as are currently being and previously been alleged.

15. In conclusion: (1) according to a published opinion by the City Attorney, the War Memorial Board of Trustees may not order that the American Legion War Memorial Commission be dismantled and no longer act as agent for the San Francisco Posts of the American Legion with respect to use of space in the War Memorial Veterans Building; (2) it is not the responsibility of the War Memorial Board of Trustees, nor is it the responsibility of the American Legion War Memorial Commission, to provide local programs for veterans; (3) the City has no responsibility or control over the membership of the American Legion War Memorial Commission and (4) the Budget Analyst was unable to find evidence that management and oversight of funds provided by the War Memorial Board of Trustees to the American Legion War Memorial Commission has been inadequate.

16. At the March 16, 1994 Budget Committee meeting, the City Attorney was requested to review the issues raised by Dr. Hardman. Ms. Kate Hermann Stacy of the City Attorney's Office reports that the City Attorney is still working to resolve these issues concerning the veterans' organizations.

SAN FRANCISCO CITY AND COUNTY VETERANS AFFAIRS COMMISSION

Whereas: the War Memorial Commission (WMC), as currently composed, does not meet the needs of the war veteran beneficiaries of the trust;

Whereas: the WMC has failed to encourage or facilitate the use of space in the War Memorial Veterans' Building;

Whereas: the leadership of the WMC is not selected in a manner consistent with the intent of the trust;

Whereas: the primary purpose of the Trust is to serve the needs of local war veteran beneficiaries;

Whereas: the Trustees of the War Memorial are required to be residents of San Francisco, most of leadership of the WMC are not residents of San Francisco;

Whereas: there are more war veterans in San Francisco today than there were when the citizens provided the facilities for war veterans, the WMC has failed to maintain programs or facilities for use by war veterans;

Whereas: there are some questions regarding the appropriate use of funds made available to the WMC by the City and by veterans;

Whereas: the WMC has failed to safeguard the furniture and equipment intended for the use and benefit of war veterans;

Whereas: the WMC appears to have been stripped of its tax exempt status and appears to be listed as a private company, for profit rather than a tax exempt corporation;

Whereas: there is no oversight of the WMC either by the City or the American Legion;

Whereas: pool tables and other valuable equipment have disappeared from the War Memorial;

Whereas: the number of eligible Legion Posts in San Francisco which provide delegates to the WMC has been sharply reduced in the past few years for about 37 to about 27;

Whereas: other San Francisco war veteran organizations have grown and multiplied;

Whereas: the WMC meets on an infrequent schedule and can not conduct its affairs in a timely manner;

Whereas: the WMC blocks participation by the public and bars input by other veterans organizations;

Whereas: the WMC has failed to create new programs for veterans and has discouraged other war veterans from organizing programs;

Whereas: the War Memorial Veterans Building could effectively serve the needs of war veterans as intended when it was mandated by the citizens of San Francisco;

Therefore Be It Resolved: that the WMC be reconstituted to reflect the changing demographics by granting each active war veteran organization the right to elect a delegate to the WMC if they have at least 15 members and are actively using the War Memorial Veterans' Building as a recognized war veteran beneficiaries; (this would include such groups as the Veterans of Foreign Wars; Disabled American War Veterans; Swords to Plow Shears; Jewish War Veterans; AmVets and others including the Posts of the American Legion in San Francisco)

Be It Further Resolved: that a thorough inventory check be made to account for the missing City assets assigned to the War Memorial for war veterans use and enjoyment.

newwmc.448

Paul D. Hardman, 7 March 1994

Items 2, 3, 4 and 5 - Files 207-94-3, 101-90-86.4, 101-91-75.2 and 101-91-74.5

Note: These items were continued by the Budget Committee at its meeting of March 16, 1994.

Department: Police Department
Bureau of Architecture, Department of Public Works (DPW)

Items: Item 2 - File 207-94-3 - Authorizing work for the renovation of the Park Police Station and the Golden Gate Park Police Stables.

Item 3 - File 101-90-86.4 - Release of reserved funds for the Police Department - 1987 Police Facilities Improvement Bond Fund, in the amount of \$245,000 for the renovation of Golden Gate Park Police Stables.

Item 4 - File 101-91-75.2 - Release of reserved funds for the Police Department - 1987 Police Facilities Improvement Bond Fund, in the amount of \$450,000 for the renovation of the Park Station.

Item 5 - File 101-91-74.5 - Release of reserved funds — 1990 Earthquake Safety Program Bond Fund, for the Park Police Station Seismic Upgrade, in the amount of \$902,000.

Amount: \$1,597,000 (\$245,000 plus \$450,000 plus \$902,000)

Source of Funds: 1987 Police Facilities Improvement Bond Fund and 1990 Earthquake Safety Program Bond Fund

Description: In November, 1987, San Francisco voters authorized a \$28 million General Obligation Bond issue to fund the renovation and improvement of various Police Department facilities. In July 1988, the first bond sale in the amount of \$11 million occurred. Funds from the first bond supported 1) the acquisition of land for the new Bayside Station; 2) the renovation of the Pistol Range and the Ingleside and Richmond Stations; and 3) preliminary studies on the renovation of the Taraval Station and construction of the new Mission Station. In January 1991, \$10.9 million was sold at a second bond sale. Funds from the second bond sale supported work at the following sites: the Bayview, Central, Mission, Taraval, Park and Richmond Stations as well as the Golden Gate Stables and the Juvenile Hall.

In June of 1990, San Francisco voters authorized a \$332.4 million Earthquake Safety Bond Program to fund various seismic upgrade and repair projects for City-owned buildings.

BOARD OF SUPERVISORS
BUDGET ANALYST

In June of 1992, the Board of Supervisors approved a third bond sale in the amount of \$58.86 million for the Earthquake Safety Bond Program Phase II which supported seismic upgrade work at the following sites: City Hall, the Civic Auditorium, Davies Symphony Hall, the de Young Museum, the Main Library and five branch libraries, San Francisco General Hospital, the Opera House, the War Memorial Veterans building, the San Francisco Zoo, and the Music Concourse in Golden Gate Park.

Item 2. File 207-94-3 - Authorizing Work of Police Facilities at Golden Gate Park

Section 3.552 of the City Charter, Power and Duties, Recreation and Park Department, requires that any building or structure, except a building or structure necessary for maintenance, shall not be erected, enlarged, or expanded in Golden Gate Park unless approval is obtained from two-thirds of the members of the Board of Supervisors. The proposed resolution would authorize work for the renovation of the Park Police Station and the Golden Gate Park Police Stables in accordance with Charter Section 3.552.

Item 3. File 101-90-86.4 - Renovation of the Golden Gate Park Police Stables

The Board of Supervisors previously approved a supplemental appropriation ordinance (File 101-90-86) appropriating \$11,523,772 for various Police facilities maintenance and improvement projects, financial advisors, bond counsel, and renovation work for various projects, including the Golden Gate Park Police Stables. Of the \$11,523,772, the Board of Supervisors reserved \$245,000 in contractual services for the Golden Gate Park Police Stables renovation project, pending selection of contractors, contract budget information, and the MBE/WBE status of the contractors.

Item 4. File 101-91-75.2 - Renovation of the Park Police Station

The Board of Supervisors previously approved a supplemental appropriation ordinance (File 101-91-75) appropriating \$6,220,350 for various Police facilities maintenance and improvement projects, including the Park Station. Of the \$6,220,350, the Board of Supervisors reserved \$450,000 in contractual services for the Park Station renovation project, pending selection of contractors, contract

budget information, and the MBE/WBE status of the contractors.

Item 5. File 101-91-74.5 - Seismic Upgrade of the Park Police Station

The Board of Supervisors previously approved the third sale of the Earthquake Safety Bond Program Phase II, for an appropriation request in the amount of \$58,860,000 (File 101-91-74) and, at the same time, placed \$45,778,418 of the \$58,860,000 on reserve for professional and construction services at various facilities. Of the \$45,778,418 which was placed on reserve, \$3,738,049 was earmarked for the Music Concourse Project in Golden Gate Park.

The DPW reports that unanticipated savings amounting to over \$1 million have been realized on the cost of construction on the Music Concourse Project. The construction work on the Music Concourse Project is in process and is expected to be completed by July of 1994. As such, the DPW is proposing to use \$902,000 of the \$3,738,049 originally earmarked for the Music Concourse Project to fund the major portion of the cost for the Park Police Station Seismic Upgrade Project. This Project was previously allocated \$123,000 in Earthquake Safety Program Bond Funds, which is \$902,000 less than the total estimated cost of \$1,025,000 for the Project.

Comments:

1. Item 2 - File 207-94-3 would authorize the work for the renovation of the Park Police Station and Golden Gate Park Police Stables. As noted above, Section 3.552 of the City's Charter, Power and Duties, Recreation and Park Department, requires that any building or structure, except a building or structure necessary for maintenance, shall not be erected, enlarged, or expanded in Golden Gate Park unless approval is obtained from two-thirds of the Boards of Supervisors. The proposed resolution would authorize the work to be done on the Park Police Station and the Golden Gate Park Police Stables.

2. Mr. Gary Hoy of the DPW Bureau of Architecture reports that the subject construction projects were combined into a single Invitation for Bids. According to Mr. Hoy, the DPW, in response to its Invitation for Bids, received three bids as follows:

<u>Name of Firm</u>	<u>Amount</u>	<u>MBE/WBE</u>
Zollman Construction	\$1,420,000	No
Barnes/Lem Joint Venture	1,797,000	*
Cico-Joo Joint Venture	2,152,000	**

* Lem Construction, Inc. is an MBE firm

** T E. Joo Construction, Inc. is an MBE firm.

3. The DPW initially selected Zollman Construction, Inc. as the lowest responsible bidder based on its bid of \$1,420,000. Mr. Hoy advises that subsequently, Zollman Construction Inc. requested that it be allowed to withdraw its bid because its bid amount excluded the cost to provide certain heating, ventilation, air-conditioning and plumbing work and the purchase and installation of fire sprinklers, which represent a portion of the project's total scope of work. Had the bid been accepted by DPW, Zollman Construction would have been required to complete all of this latter work within its total bid amount of \$1,420,000. Mr. Hoy states that after consultation with the City Attorney's Office, the DPW determined that the bid received from Zollman Construction, Inc. was non-responsive because the bid amount did not reflect the total scope of work required. Therefore Mr. Hoy stated that DPW permitted Zollman Construction to withdraw its bid.

4. The DPW has awarded the contract to the second lowest bidder Barnes/Lem, a Joint Venture, based on a bid amount of \$1,797,000. Mr. Hoy reports that Lem Construction, Inc. an MBE firm, will be allocated 51 percent or \$916,470 of the total contract amount of \$1,797,000.

5. As previously noted, the requested release of reserved funds is in the amount of \$1,597,000 or \$200,000 less than the contract amount of \$1,797,000. Mr. Hoy advises that the \$200,000 will be paid for by a combination of previously appropriated 1987 Police Facilities Improvement Bond funds and 1990 Earthquake Safety Program Bond funds.

Recommendations: 1. Approve the proposed resolution, Item 2, File 207-94-3.

2. Approve the proposed release of reserved funds in the amount of \$1,597,000.

Item 6 - File 101-93-96.1

Note: This item was continued from the March 23, 1994 Budget Committee Meeting.

Department: Sheriff's Department

Item: Ordinance appropriating \$84,040 to expand the Residential Care Program to minimize jail overcrowding for FY 1993-94.

Amount: \$84,040

Source of Funds: Jail Overcrowding Fine Revenue

Description: The 1993-94 Fiscal Year budget of the Sheriff's Department included \$8,984,000 to fund beds at the Alameda County jail and at nonprofit agencies with residential bed programs. \$2,223,610 of that \$8,984,000 funds 65 contracted beds and 23,725 bed days at three community agencies having residential bed programs under which the Sheriff places pretrial and sentenced inmates with substance abuse problems. These three community residential programs provide inmates with substance abuse treatment services while decreasing the jail population by diverting these individuals from the jail system to substance abuse treatment services. These community residential programs are an alternative (a) to housing inmates in the City's jails and/or (b) to housing inmates in Alameda County's jails under a contract between the City and Alameda County.

The Sheriff's Department previously requested \$660,558 in Jail Overcrowding Fine Revenue to fund an additional 46 beds each in five additional community residential programs. The Board of Supervisors appropriated \$576,518 of that \$660,558 to fund residential treatment programs at four of the five community agencies. At that time, the Board of Supervisors continued \$63,030 (6 months funding) for the 3rd Baptist residential treatment program and continued \$21,960 (two months funding) for the Thurgood Marshall residential treatment program in San Francisco, for a total of \$84,040. The proposed ordinance would appropriate this remaining \$84,040 for 1,512 bed-days in the two community residential programs.

The court must authorize placing inmates in these residential programs through a 4004 PC motion for pretrial prisoners or through the following jail commitment notation

BOARD OF SUPERVISORS
BUDGET ANALYST

"sentence may be served through the Sheriff's 4004 PC Program." A 4004 PC motion is a court order which permits a prisoner to be discharged to a substance abuse treatment program if a jail is overcrowded. In addition to the court authorization, a Sheriff's Intake Officer and the Residential Program Manager must evaluate and accept an inmate to a residential program. The Sheriff maintains legal custody of the inmate until the inmate's sentence is completed.

The proposed \$84,040 would cover most of the cost of 1,512 additional bed-days as follows:

<u>Residential Program</u>	<u>Beds</u>	<u>Cost per Bed per Day</u>	<u>Days</u>	<u>Bed- Days</u>	<u>Total Cost</u>
3rd Baptist <i>1399 McAllister St., S.F.</i> A supervised substance abuse education and transitional housing program.	6	\$55	191	1,146	\$63,030
Thurgood Marshall <i>2235 Sutter St., S.F.</i> Supervised clean and sober living and transitional housing program.	6	60	61	366	21,960
Total	12		252	1,512	\$84,990

Comments:

1. As shown above, the actual cost to fund the remaining 12 beds would be \$84,990, or \$950 more than the proposed \$84,040 supplemental appropriation. This \$950 would be absorbed by the Department, according to Sergeant Ridgeway.

2. The Department advises that it is now only requesting \$21,010 (\$21,960 needed less \$950 to be absorbed by the department) required for 61 days of funding for the Thurgood Marshall program. Funding for the 3rd Baptist program is not requested at this time as contract negotiations have not been finalized with that organization.

3. The \$21,010 now requested is more than needed to cover the period through the May 18 Board of Permit Appeals hearing. It would cover a two month period to allow continuous funding for the balance of Fiscal Year 1993-94 assuming continued operation of the program is approved by the Board of Permit Appeals at its May 18 hearing. The cost for funding the program for the 20 days (120 bed-days) between April 28 and May 18, 1994, the day of the Board of

BOARD OF SUPERVISORS
BUDGET ANALYST

Permit Appeals hearing, would be \$7,200 at \$60 per bed-day. The remaining \$13,810 would be needed to cover the remaining 41 days starting May 19, 1994.

4. Since September 1992, the City has been ordered by the Court to pay fines of \$300 per day for every inmate over a Court-imposed population limit of 426 inmates for the sixth floor at the Hall of Justice facility, resulting in the payment of \$2,149,200 in jail overcrowding fines for 7,164 inmate days (average of 895.5 per month) between July 1, 1993 and February 28, 1994.

The Jail Overcrowding Fine Revenue is money generated from the fines paid by the City and County of San Francisco to a Federally assigned escrow account because of jail overcrowding. According to a Federal Court order, these fine monies are to be spent exclusively on alleviating jail overcrowding. The Controller's Office reports that as of February, 1994, there is approximately a balance of \$306,919 in this account.

5. As previously noted, the residential programs are an alternative to housing inmates in the City's jails and in Alameda County's jails. According to the Sheriff's Department, it costs the City \$63 per inmate per day in the City's jails, or more than the \$55 or \$60 per bed per day at the two subject residential programs. However, the \$63 per inmate per day cost to the City includes fixed and incremental costs. While the \$63 per inmate per day includes incremental costs that would be reduced if an inmate were housed in a non-City facility such as food, clothing and laundry, the \$63 also includes costs that the City could not reduce if an inmate were housed in a non-City facility, such as facility and staffing costs. Thus, the City would save less than the \$3 or \$8 per bed per day (depending on the program) by funding bed days in these residential programs compared to funding the same number of bed days in the City's jails.

According to the Sheriff's Department, it costs the City \$68.10 per inmate per day in the Alameda County jail. Therefore, as described in the following table, the City could save a maximum of \$2,965 by funding 61 bed-days in the Thurgood Marshall residential program compared to funding the same number of bed days in the Alameda County jail.

	<u>Beds</u>	<u>Cost per Bed per Day</u>	<u>Bed- Days</u>	<u>Total Cost</u>
Alameda County Jail	6	\$68.10	366	\$24,925
Residential Program	6	\$60.00	366	\$21,960
<i>Difference</i>				<i>\$2,965</i>

These savings do not include the savings associated with not paying the \$300 per day per prisoner fine levied against the City for jail overcrowding on the sixth floor at the City's Hall of Justice Jail. The actual reduction in the City's jail overcrowding fines depends on which jail the prisoners entering the residential bed program, would otherwise be housed.

6. The proposed supplemental appropriation would fund these residential bed-days using Jail Overcrowding Fine monies for the remainder of FY 1993-94. The Federal Court must approve expenditures made from these Jail Overcrowding Fine monies. The Court has appointed a Special Master to Courts, Mr. Alan Breed, to make these expenditure authorizations. Mr. Breed has advised the Sheriff's Department that the Jail Overcrowding Fine monies should only be used for new programs to reduce prison overcrowding. The expenditure of these monies should not be used to fund ongoing program costs. Therefore, the General Fund may be required to fund any future funding for these residential programs.

However, Mr. James Harrigan, the Attorney for the Sheriff's Department, advises that while Mr. Breed requests that the Fine revenues not be spent to support ongoing costs, this expenditure restriction is not a Court ruling. Mr. Harrigan reports that if, in the future, the General Fund appropriation was insufficient to fund the residential programs, the City may be able to request additional Jail Overcrowding Fine monies.

7. Sergeant Ridgeway also reports that the neighborhoods surrounding the Thurgood Marshall Center, located on Sutter Street have secured a legal injunction preventing the Thurgood Marshall Center from housing prisoners. Sergeant Ridgeway reports that the Thurgood Marshall

Center has appealed this decision. If the Thurgood Marshall Center loses its appeal, the Sheriff's Department plans to increase its existing contract with Walden House (not included in this supplemental appropriation) or Liberation House for the bed days that are included in the proposed supplemental appropriation for the Thurgood Marshall Center.

8. According to the Sheriff's Department, an inmate will be determined unsuitable for placement in the Residential Program for any of the following reasons:

- Current or prior violent or sexual offenses
- Prior program failure (if the prisoner was previously placed in a substance abuse treatment program instead of serving jail time, and failed the program.)
- Jail misbehavior
- Propensity for violence or sexual offense
- Perceived insincerity (AWOL risk)
- Failure to comprehend program requirements

Recommendation:

Approval of the proposed ordinance is a policy matter for the Board of Supervisors. If the Board of Supervisors approves the proposed ordinance, the following amendments are recommended:

- Reserve the \$63,030 requested for the 3rd Baptist program until a contract is finalized;
- Stipulate in the ordinance that the requested \$21,010 in funding for the Thurgood Marshall residential program can be used for no purpose other than that program. In the event that continued operation of the Thurgood Marshall program is not allowed by the Board of Permit Appeals at the scheduled May 18 hearing, request the Sheriff to report back to the Budget Committee on any needed changes in expenditure plans related to the residential treatment programs.

Item 7 - File 101-93-95

Note: This item was continued by the Budget Committee at its meeting of April 13, 1994.

Department: Port

Item: Supplemental Appropriation Ordinance appropriating \$1,336,856 for the Port for capital improvement and facilities maintenance projects and debt service payments for fiscal year 1993-94.

Amount: \$1,336,856

Source of Funds: \$1,108,000 - San Francisco Harbor Operating Fund
228,856 - 1984 Port Revenue Bond Fund
\$1,336,856 - Total

Description: The Port's requested supplemental appropriation in the amount of \$1,336,856 would be used by the Port to fund five projects and to make payment towards debt service as follows:

Seismic Safety Building Survey Project - \$200,000

This project involves surveying approximately eight Port-owned unreinforced masonry buildings with respect to soil, asbestos and masonry conditions. The Port advises that a Request for Proposals (RFP) has not yet been issued by the Port to acquire the necessary consultant services to conduct the survey.

Waterfront Land Use Plan Project - \$539,000

The Waterfront Land Use Plan will consist of the following three phases: (1) identifying how much Port land should be reserved for water-dependent maritime activities, (2) addressing the range of non-maritime uses that should be considered for development on Port property, including public recreation and open space and public access opportunities in connection with new development and (3) reconciling the land use recommendations produced in the first two phases, in order to produce a balanced Waterfront Plan that is financially feasible and can be implemented. The Port advises that RFPs have been issued to acquire the necessary consultant services to implement the tasks associated with the plan. However, according to the Port, specific contractors have not, as yet, been selected. The Port's projected expenditures for the \$539,000 are as follows:

BOARD OF SUPERVISORS
BUDGET ANALYST

Environmental Impact Review (EIR)	\$390,000
Contingency (10% of EIR)	<u>39,000</u>
Subtotal EIR	\$429,000
Graphic Design Consultant	20,000
Printing and Mailing	20,000
City Planning	<u>70,000</u>
Total	\$539,000

Pier 45 Repairs Project - \$119,000

The proposed repairs to Pier 45 involve the repair to the Pier's fender system (a wooden construction of piles and timbers that form a cushion between the pier and a vessel). The requested \$119,000 would be used to pay for work to be performed by Port staff, materials and supplies and the rental of equipment. The Port estimates that the \$119,000 will be expended as follows:

Lumber	\$99,200
Hardware	2,800
Debris Removal (Port)	13,000
Equipment Rental	<u>4,000</u>
Total	\$119,000

Ferry Building Renovation Project - \$250,000

This project involves the complete restoration of the historic Ferry Building. The Port advises that the following principles will guide this restoration: (1) transportation will be the primary theme and focus of the building, (2) water-based transportation activities will be increased in the building's surroundings, (3) the ground level of the building will be opened up to encourage public access and visibility to the Bay, (4) the sky lit gallery on the second level of the building will be restored where possible as the principal public area, (5) uses of the building will be a blend of public and commercial, depending on market and financial feasibility and (6) the public nature of the building will be emphasized. The Port advises that the requested \$250,000 would be used to pay for development feasibility analysis, design and planning for this project. The Port advises that an RFP has been issued by the Port to acquire the necessary consultant services to perform this work. However, according to the Port, a specific contractor has not, as yet, been selected.

PG & E Work at Pier 80 - \$194,575

This project involves Pacific Gas & Electric (PG & E) utility work which must be performed in order to provide upgraded electrical power to the North Container Terminal at Pier 80. This work involves, in part, the undergrounding of the existing overhead wires on the Pier. The Port advises that PG & E is being paid for this work because, pursuant to the State of California Public Utilities Commission Rule 20C, the Port is responsible for paying all costs associated with undergrounding the existing facilities.

Payment towards Debt Service - \$34,281

The Port advises that the current unreserved fund balance in the Port's 1984 Revenue Bond Fund is \$228,856. The Port is proposing to pay \$194,575 for the work to be done by PG & E at Pier 80 from this Fund, which would leave a remaining balance of \$34,281. The Port is proposing to use this remaining \$34,281 to pay debt service on the 1984 Revenue Bond which is due in 1993-94.

Comments:

1. The Port previously advised that due to an administrative oversight, the \$250,000 for the Ferry Building project was incorrectly included in this supplemental appropriation request. However, the Port now advises that the \$250,000 for this project should be included as a part of this supplemental appropriation request and that the information which was previously reported to the Budget Analyst was incorrect. Attachment I is a memo from Mr. Ben Kutnick of the Port, which explains why the Port now believes that it needs the \$250,000 for the Ferry Building project.

2. As previously noted, \$429,000 of the requested funds for the Waterfront Land Use Plan are earmarked for an Environmental Impact Review (EIR) study. Mr. Kutnick reports that the proposed EIR needs to be performed at the same time that the Waterfront Land Use Plan continues to be developed, in order that the results of the EIR can be reflected in the final Plan. Additionally, as previously noted, a portion of the \$250,000 earmarked for the Ferry Building Renovation Project will be used to pay for a development feasibility analysis study. Mr. Kutnick advises that the proposed development feasibility analysis for the Ferry Building Renovation Project represents the first study of this kind in connection with this project. The purpose of this study is to determine the blend of the public and commercial uses of the building, as well as the public nature of the building.

BOARD OF SUPERVISORS
BUDGET ANALYST

3. Attachment II of this report is a letter from Mr. Dennis P. Bouey, Executive Director of the Port, regarding the Port's Unreinforced Masonry Building (UMB) Inventory with respect to compliance with Ordinance No. 225-92, which stipulates that all City-owned unreinforced masonry buildings must be brought up to Code. This letter outlines the various tasks and costs associated with the Port bringing its unreinforced buildings into compliance, including the Seismic Safety Building Project, which is part of the subject of this report.

4. As noted above, the Port has not, as yet, selected the contractors for the Seismic Safety Building Survey (\$200,000), the Ferry Building Renovation Project (250,000) and the Waterfront Land Use Plan (\$469,000). As such, \$919,000 should be placed on reserve pending the Port's submission of contract cost details, including hours and hourly rates where appropriate, and the MBE/WBE status of the contractors. Additionally, as of the writing of this report, the cost details for the expenditure in connection with City Planning services for the Waterfront Land Use Plan, were unavailable. Therefore, \$70,000 should be placed on reserved pending the Port's submission of expenditure details on the City Planning services in connection with the Waterfront Land Use Plan, bringing the total amount to be placed on reserve to \$989,000.

Recommendation: Amend the proposed ordinance to place \$989,000 on reserve, pending the Port's submission of contract details, including hours and hourly rates where appropriate, and the MBE/WBE status of the contractors. Approve the ordinance as amended.

M E M O R A N D U M



DATE: 4/15/94

TO: Harvey Rose
Budget AnalystFROM: Ben Kutnick *BK*
Finance Manager

Re: Supplemental Appropriation - File 101-93-95

This memo is to respond to your request for information related to the Ferry Building Renovation project.

The supplemental appropriation was originally sought to provide local match funds for Federal grants that the Port was applying for in order to fund the development feasibility analysis, design and planning for the renovation of the Ferry Building.

Subsequent to the original submission on August 30, 1993, Port staff was able to obtain approval to apply other funds towards the local match. Although the supplemental appropriation is no longer needed for the original purpose, the funds are still essential for the development feasibility analysis, design and planning for the renovation of the Ferry Building, including hazardous materials assessment for asbestos and lead, structural design and analysis.

When I was informed that the funds were no longer needed as a local match for the \$1 million grant, I assumed that the funds were no longer needed. It was only after I communicated my misunderstanding to your staff that I was told that the funds were indeed needed for the Ferry Building Renovation project.

The estimated cost of the Ferry Building Renovation project is \$65 million. Funding available to date includes \$1 million Transportation Enhancement Activities grant in addition to the \$250,000 requested in this supplemental appropriation request. The funds are itemized below:

Grant Funds

Development Feasibility Analysis	\$ 500,000
Environmental Impact Report and Fees	400,000

Graphics	<u>100,000</u>
----------	----------------

Total	\$1,000,000
-------	-------------

Supplemental Appropriation

Structural Seismic Design and Analysis	170,000
--	---------

Hazardous Materials Assessment (asbestos and lead)	<u>80,000</u>
---	---------------

Total	\$ 250,000
-------	------------



PORT OF SAN FRANCISCO

Ferry Building
San Francisco, CA 94111
Telephone 415 274 0400
Telex 275940 PSF UR
Fax 415 274 0528
Cable SFPORTCOMM
Writer

April 18, 1994

Honorable Tom Hsieh, Chairman
Budget Committee
Board of Supervisors
City and County of San Francisco
City Hall Room 235
San Francisco, CA 94111

RE: Port's Unreinforced Masonry Building (UMB) Inventory,
Compliance with San Francisco Ordinance No. 225-92; Justification of
\$200,000 Capital Expenditure Request

Dear Supervisor Hsieh:

At your request, we are providing the following information. With regard to the UMB funds, the Port's engineering staff surveyed all Port-owned buildings and initially determined that as many as eight (8) of these buildings were UMB's. Subsequent to the request for a supplemental appropriation, the Port staff performed a further analysis and now concludes that there are only five (5) UMBs. Please refer to the attached building inventory list. As you will see from our analysis, this does not change the amount of our funding request.

As you know, to comply with San Francisco Ordinance No. 225-92, the Port must perform the following tasks within specified time periods for each UMB:

1. Prepare and submit an engineering report to the Bureau of Building Inspection (BBI).
2. Prepare and submit to BBI architectural and engineering contract documents for the seismic upgrade which must include the following:
 - A. Structural engineering calculations, plans and specifications. Soil engineering testing, analysis and recommendations, and in-place masonry shear tests will likely be essential.
 - B. Architectural plans and specifications.
 - C. Disability access design plans and specifications.

Hon. Tom Hsieh
 April 18, 1994
 Page 2

- D. Asbestos abatement plans and specifications as required. A site assessment will be necessary.
 - E. Mechanical and electrical design plans and specifications.
3. Perform the construction work outlined in the contract documents.

The supplemental appropriation covers the following:

Design:	\$180,000
Site Assessment:	20,000
Total:	\$200,000

The Port must apply the above-noted tasks to approximately 147,000 square feet (sf) of floor space, as shown in the attached inventory list.

CONSTRUCTION COSTS

To estimate the cost of this work, the Port staff referenced a report prepared for the City and County of San Francisco in May 1990 by Rutherford and Chekene Structural Engineers titled "Seismic Retrofit Alternatives for San Francisco's Unreinforced Masonry Buildings." This firm surveyed approximately 2000 UMB's in San Francisco and estimated that the typical seismic construction retrofit will cost between \$7.00/sf and \$15.00/sf. Please refer to the attached copy of Table 4.1 from the referenced report. This unit cost does not include design fees, testing fees, site assessment fees, nor does it include fees to construct any required disability access, asbestos abatement, and/or mechanical and electrical work. Therefore, the cost of the construction repairs for the Port buildings is estimated as follows:

$$147,000 \text{ sf} \times \$15.00/\text{sf} = \$2,205,000 \text{ approximately}$$

The Port used the \$15/sf cost because of the age and locations of the buildings involved.

DESIGN COSTS

Typically, structural engineering firms charge between 6% and 10% of the construction cost to prepare structural plans and specifications for UMB renovations. Therefore, the cost of the structural engineering design is estimated below:

$$\$2,205,000 \times 8.0\% = \$180,000 \text{ approximately}$$

SITE ASSESSMENT COSTS

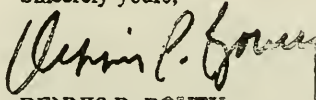
The Port Commission has also requested that a site assessment be performed at the same time as the UMB plan and specification preparation. This is estimated to cost approximately \$20,000 for the five (5) UMB's.

Hon Tom Hsieh
April 18, 1994
Page 3

Port staff contacted Ms. Kelly Hayden to discuss this matter with her and it was her opinion that the referenced Rutherford and Chekene report is a reliable source for cost information.

If you have any questions on this matter, please contact Cliff Jarrard of my staff at 274-0541 or Joe Roger at 274-0556.

Sincerely yours,



DENNIS P. BOUEY
EXECUTIVE DIRECTOR

Attachments

cc: Ben Kutnick
Cliff Jarrard
Joe Roger

PORT OF SAN FRANCISCO

UNREINFORCED MASONRY BUILDING (UMB) SURVEY/INVENTORY

NUMBER	BUILDING LOCATION	STORY COUNT	BUILDING USE	APPROX. FL Sq.Ft.
1	Pier 70, Bldg. 104 (block 4046 lot 1)	3	Office	24000
2	Pier 70, Bldg. 105 (block 4046 lot 1)	1	Steel Shop	20740
3	Pier 70, Bldg. 113 (block 4111 lot 4)	1	Machine Shop	81964
4	Pier 70, Bldg. 114 (block 4111 lot 4)	1	Storage	8000
5	Pier 70, Bldg. 115 (block 4111 lot 4)	1	Warehouse	12400

TOTAL Sq.Ft. = 147104

Completed By: Joe Roger

Date: 12/30/93

4: COST SUMMARY AND REPORT

4.1 COST SUMMARY

This section summarizes the retrofit cost of each of the three alternatives and provides information on the cost of a site-specific engineering report.

4.1.1 RETROFIT PROJECT COSTS

Costs for strengthening required by each of the three Retrofit Alternatives and for each prototype are included in Table 4.1. For definitions, for details describing the process, and for assumptions and limitations of the cost estimating method employed, see Section 4.2.1.

Table 4.1: Retrofit Project Costs

Prototype	Retrofit Alt. 1: Out-of-Plane Strengthening		Retrofit Alt. 2: UCBC Appendix Chapter 1		Retrofit Alt. 3: SF Bldg. Code: Section 104(f)	
	Seismic	Arch.	Seismic	Arch.	Seismic	Arch.
	(\$/SF)	(\$/SF)	(\$/SF)	(\$/SF)	(\$/SF)	(\$/SF)
A	9.17	0.67	9.96	0.75	13.26	0.89
B	5.32	0.27	7.50	0.37	8.83	0.47
C	4.40	0.64	7.11	1.07	11.23	2.49
D	5.32	0.36	7.28	0.67	12.94	1.73
E	9.03	0.18	10.44	0.46	14.25	1.01
F	4.11	0.10	6.86	0.71	8.32	1.16
G	11.35	0.96	12.62	1.04	16.68	1.76
H	5.17	0.38	7.63	0.60	9.59	1.59
I	8.25	0.80	14.08	1.09	19.86	2.28
J	4.20	0.39	7.84	0.79	12.50	1.95
K	9.97	1.83	10.95	2.00	15.55	3.00
L	5.77	1.07	7.46	1.30	10.16	2.35
M	5.75	0.80	14.39	1.44	16.29	2.52
N	3.73	0.50	8.98	0.70	14.13	2.37
O	7.04	0.97	9.99	1.02	13.52	2.34

Item 8 - File 101-93-24.2

Department: Chief Administrative Officer (CAO)
Superior and Municipal Courts

Item: Request for release of reserved funds for asbestos abatement costs of constructing a new courthouse

Amount: \$102,080

Source of Funds: Courthouse Construction Fund

Description: In order to fund the construction of a new courthouse, the Superior and Municipal Courts, pursuant to State law, collect surcharges on various filing fees and fines. The following surcharges are collected and deposited into the Courthouse Construction Fund for the future construction of a new courthouse:

First Filing - Superior Court	\$50.00
First Filing - Municipal Court	10.00
Parking Ticket	1.50
Traffic Violator School Fee	1.00

The Courthouse Construction Fund had a balance of \$5,390,000 as of March 20, 1994.

In November of 1993, the Board of Supervisors appropriated \$2,211,922 for completion of architectural and engineering services for the new courthouse to be located at the corner of Polk and McAllister Streets and asbestos abatement at the existing buildings at 450, 456 and 460 McAllister Street that must be demolished (File 101-93-24). Of the \$2,211,922 appropriated, a total of \$324,500 was reserved including \$225,000 for asbestos abatement and \$99,500 for a contingency fund. The \$324,500 was reserved because a contractor to perform the asbestos abatement had not been selected and because the contingency fund monies were not immediately required. The Board of Supervisors previously released \$215,000 of the \$225,000 allocated for asbestos abatement (File 101-93-24.1) leaving a balance of \$10,000 (\$225,000 less \$215,000) on reserve for asbestos abatement and \$99,500 on reserve for the contingency fund for a total amount on reserve of \$109,500.

BOARD OF SUPERVISORS
BUDGET ANALYST

Budget: The CAO's project manager for construction of the new courthouse requests the release of \$102,080 including the \$99,500 allocated for the contingency fund and \$2,580 of the \$10,000 balance on reserve that was originally allocated for asbestos abatement, as follows:

Environmental Impact Report (EIR) \$52,864

This amount consists of \$43,814 for the EIR consultants (Environmental Science Associates) to perform additional work not anticipated under the original appropriation. Environmental Science Associates (ESA), which is not a MBE/WBE firm, has been awarded a \$100,000 contract to provide the EIR for the new Courthouse. This \$100,000 contract would be amended to add \$43,814 for a total of \$143,814. The details of this contract are as follows:

	<u>Current Contract</u>	<u>Proposed Amendment</u>	<u>Amended Total</u>
ESA Professional Services			
Hours	700	505	1,205
Hourly Rate	<u>\$84.14</u>	<u>\$63</u>	<u>-</u>
Subtotal	\$58,900	\$31,815	\$90,715
Materials and Supplies	5,000	1,848	6,848
MBE/WBE Subcontractors	<u>36,100</u>	<u>10,151</u>	<u>46,251</u>
Total	\$100,000	\$43,814	\$143,814

Additionally the Department of City Planning would receive \$9,050 to conduct an analysis of the shadows resulting from construction of the new courthouse, as follows:

Professional Staff - 57 hours at \$71.05 per hour	\$4,050
Fee for Computer Analysis Using the Sunlight Access Program	<u>5,000</u>
Total Shadow Analysis Costs	\$9,050

Hazardous Materials Specifications

\$19,816

The Department of Public Works Bureau of Construction Management will develop specifications for the mitigation and removal of hazardous materials that are present on the site (\$17,316). This \$17,316 is for 272 hours at an average rate of \$63.66 per hour including department overhead.

Additionally \$2,500 is being requested to pay one-half of the cost of the proper removal and disposal of the contaminated soil samples now stored in containers on the site. Chevron, the former occupant of the corner site (a service station), tested soil samples for the presence of toxic substances related to the operation of a service station. These toxic substances were not found, but lead, another toxic substance, was found. Because toxic substances related to operation of a service station were not found, Chevron is not responsible for disposal of the soil samples. However, through negotiation of a special agreement with Chevron, the City and Chevron will share equally the \$5,000 estimated cost (\$2,500 each) for disposal of the soil samples.

Real Estate Department

15,000

The Real Estate Department is responsible for developing demolition specifications for City owned buildings. The Real Estate Department would transfer \$9,700 to DPW Bureau of Engineering for development of specifications for demolition of the buildings at 450, 456 and 460 McAllister Street.

The Bureau of Engineering has an open contract with Structus Engineering, an MBE firm, whereby the Bureau of Engineering can assign small projects to Structus Engineering on an as-needed basis. Structus Engineering proposes to develop these demolition specifications at a total cost of \$13,100 as follows:

<u>Classification</u>	<u>Hours</u>	<u>Hourly Rate</u>	
Principal	64	\$120	\$7,680
Engineer	52	60	3,120
Drafter	36	50	1,800
Clerk	10	40	<u>400</u>
			\$13,000
Materials & Supplies			<u>100</u>
Total			\$13,100

The \$3,400 difference between the \$13,100 Structus Engineering cost for development of demolition specification and the \$9,700 that would come from the requested release of reserve would be funded from the Real Estate Department's 1993-94 budget.

The City must vacate the sidewalk areas of Redwood Alley and Polk and McAllister Streets before storage space for the new courthouse can be constructed under the sidewalks. Real Estate would receive \$5,300 to pay the Department of Public Works for the permit fees for these vacations.

Department of Electricity and Telecommunications

\$14,400

The Department of Electricity and Telecommunications (DET) will design the telecommunications system for the new Courthouse and will provide project management for installation of the telecommunications system. DET will perform 40 hours of design services and 200 hours of project management services, a total of 240 hours, at a rate of \$60 per hour for a total cost of \$14,400.

Proposed Release

\$102,080

Comments:

The proposed \$102,080 release of reserve would include \$2,580 from a reserve on funds originally allocated for asbestos abatement, as well as \$99,500 from the contingency fund. Mr. Clyde Cohen, the Project Manager for the new Courthouse construction project, indicates that the \$2,580 will not be needed for asbestos abatement and can instead be used for the purposes detailed above.

Recommendation: Release \$102,080 as requested.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 9 - File 101-93-89.1

Department Department of Public Works (DPW)

Item: Request for release of reserved funds in the amount of \$19,910,000 for Phase 3 of the Rankin Pump Station and Southeast Water Pollution Control Plant (SEWPCP) Improvements project.

Amount: \$19,910,000

Source of Funds: 1988 Sewer Revenue Bonds

Description: The Board of Supervisors previously approved an ordinance appropriating \$23,980,000 for the third phase of the Rankin Pump Station and Southeast Water Pollution Control Plant (SEWCP) Improvements Project (File 101-93-89). Of the \$23,980,000 appropriated, \$19,910,000 was placed on reserve for the construction contract and construction contingency, pending the submission of information regarding the MBE/WBE status of the construction contractor and the contract cost details.

The Rankin Pump Station and SEWPCP Improvements Project is a major component of the long-range San Francisco Clean Water Program Bayside Construction Plan. According to the DPW, these facilities, along with the Islais Creek Transport Facilities, will correct the problem of wet weather combined sewage and rainwater overflow into the Bay at Islais Creek. The DPW advises that, at present, when rainfall exceeds about 0.02 inches per hour, the current sewer system capacity for containing the overflow is exceeded. According to the DPW, overflows to the Islais Creek Channel into the Bay occur on an average of 40 times per year, in violation of the San Francisco Regional Water Quality Control Board regulations.

The DPW reports that on June 15, 1988, the California Regional Water Quality Control Board adopted a Cease and Desist Order (No. 88-105) against the City and County of San Francisco. This Cease and Desist Order established a schedule for compliance for unfinished Wastewater projects in San Francisco and mandated the City to achieve combined sewer overflow control on the Bayside by January 1, 1996.

The Board of Supervisors previously approved legislation adopting the Final Negative Declaration, which found that the Rankin Pump Station and SEWPCP Improvements Project would have no significant impact on the environment

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Budget Committee
April 20, 1994 Meeting of Budget Committee

(File 53-91-5). The Board of Supervisors also previously approved legislation approving the DPW's facility plan for the construction of the Rankin Pump Station and the improvements to the SEWPCP (File 53-9-5.1). The work to be performed in the third phase of these projects involves the construction of a 140 million-gallon per day pretreatment facility (eliminates solid waste materials, such as cans, rags, and sand from the combined sewage and rainwater flow), a water/sewage control structure (includes construction columns and foundation and installing pipes) and associated auxiliary systems (i.e., electrical and mechanical work) at the SEWPCP.

Based on the results of a competitive bid, the construction contract and construction contingency costs are as follows:

Construction Contract	\$16,498,349
Construction Contingency (10%)	<u>1,649,835</u>
Total	\$18,148,184

The \$18,148,184 in actual construction contract and construction contingency costs are \$1,761,816 less than the \$19,910,000 reserved funds requested for release.

Comments:

1. The DPW received five bids for the Phase 3 Rankin Pump Station and SEWPCP Improvements Project construction work on March 2, 1994. The DPW selected S.J. Amoroso Construction Co., Inc., as the lowest bidder at \$16,498,349. The names and amounts from the participating bidders are as follows:

<u>Firms</u>	<u>Bids</u>	<u>MBE/WBE Firm</u>
S.J. Amoroso Co., Inc.	\$16,498,349	No
PCL Construction Services, Inc.	16,920,000	No
Homer J. Olsen, Inc.	17,654,130	No
Dillingham Construction N.S., Inc.	18,483,000	No
Shimmick Const./Obayashi Corp. JV	19,655,800	No

BOARD OF SUPERVISORS
BUDGET ANALYST

2. S.J. Amoroso Co., Inc., which is not an MBE or a WBE firm, will subcontract \$4,769,930, or approximately 29 percent of the construction bid amount, with the following MBE/WBE firms:

<u>Firms</u>	<u>Subcontract Amount</u>	<u>MBE/ WBE</u>
Jezak Electric Company	\$21,000	MBE
Capital Glass Company	27,000	MBE
Pioneer Roofing Organization	31,430	MBE
Landavazo Bros., Inc.	60,000	MBE
Chavez Masonry & Gen. Building	132,000	MBE
Myron Demolition & Excavation	160,000	MBE
T.S.M. General Building Const., Inc.	200,000	MBE
R.A. Supplies	250,000	MBE
Western Painting Company	304,000	MBE
Kent M. Lim & Company, Inc.	1,000,000	MBE
American Piledriving, Inc.	<u>1,350,000</u>	MBE
Subtotal, MBE Subcontracts	\$3,535,430	
Korotkin Associates	\$62,000	WBE
Pacific Stair & Rail, Inc.	490,000	WBE
Nationwide Construction Co., Inc.	<u>682,500</u>	WBE
Subtotal, WBE Subcontracts	<u>\$1,234,500</u>	
Total MBE/WBE Subcontracts	\$4,769,930	

The Human Rights Commission certified on March 21, 1994 that Amoroso Construction Co. is in compliance with the pre-award affirmative action bid requirements. The contractor has committed 21.4 percent of the contract work to MBE firms (compared to a requirement of 20 percent), and 7.5 percent of the contract work to WBE firms (compared to a requirement of 6 percent).

3. As shown in the description above, the actual costs for the Contract and Contract Contingency total \$18,148,184, or \$1,761,816 less than the \$19,910,000 reserved funds for the construction contract and contract contingency. Therefore, funds in the amount of \$1,781,816 should continue to be reserved, pending any additional, unanticipated costs related to Phase 3 of the Rankin Pump Station and SEWPCP Improvements Project.

Recommendations: 1. Reduce the proposed release of reserved funds from \$19,910,000 to \$18,148,184, reflecting the cost of the construction contract and a ten percent construction contingency, and continue to reserve \$1,761,816.

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Budget Committee
April 20, 1994 Meeting of Budget Committee

2. Approve the proposed release of reserved funds.

Items 10 and 11 - Files 101-93-110 and 102-93-31

Department: Chief Administrative Officer (CAO)

Item: File 101-93-110 - Ordinance appropriating funds to allow the Chief Administrative Officer to administer the Seismic Safety Loan Program for FY 1993-94.

File 102-93-31 - Ordinance amending 1993-94 Annual Salary Ordinance, reflecting the addition of five positions in the Office of the Chief Administrative Officer.

Amount: \$235,146

Source of Funds: Unreinforced Masonry Buildings (UMB) Bond Funds

Description: On November 3, 1992, the electorate approved the Earthquake Safety Loan Program Bonds in the amount of \$350 million to provide funds for the seismic strengthening of privately-owned Unreinforced Masonry Buildings (UMBs). In February 1994, the Board of Supervisors approved the issuance of \$350 million in General Obligation bonds for the Seismic Safety Loan Program, including the initial sale of \$35 million of these bonds (File 170-94-2). These bond funds will provide financial assistance in the form of below market rate loans, deferred loans and market rate loans to owners of UMBs.

The text of this bond issue specifically stated that the bond proceeds, in addition to providing loans for seismic strengthening, will also be used "to pay necessary administrative costs incidental thereto."

Therefore, the proposed supplemental appropriation ordinance (File 101-93-110) would appropriate funds for the administrative costs necessary to implement and administer the Seismic Safety Loan Program for FY 1993-94. The proposed supplemental appropriation ordinance would be the first appropriation for the Seismic Safety Loan Program.

The proposed companion ordinance (File 102-93-31) would amend the 1993-94 Annual Salary Ordinance to reflect the creation of five positions for the implementation and administration of the Seismic Safety Loan Program.

BUDGET:

Permanent Salaries

\$49,940

The proposed supplemental appropriation ordinance (File 101-93-110) would appropriate bond funds for five new positions, as follows:

<u>Classification</u>	<u>No. of Positions</u>	<u>Annual Salary at Top Step¹</u>	<u>Biweekly Salary</u>	<u>No. of Pay Periods for 5/1/94 through 6/30/94</u>	<u>Total Cost for Permanent Salaries, 5/1/94 through 6/30/94</u>
1365 Special Assistant VI	1	\$42,856	\$1,355	5	\$6,775
1366 Special Assistant VII	1	46,067	1,457	5	7,285
1370 Special Assistant XI	1	61,727	1,946	5	9,730
1373 Special Assistant XIV	1	76,891	2,424	5	12,120
1375 Special Assistant XVI	<u>1</u>	<u>89,001</u>	2,806	5	<u>14,030</u>
Totals	5	\$316,542			<u>\$49,940</u>

The 1375 Special Assistant XVI would be the Program Administrator for the Seismic Safety Loan Program. The Program Administrator would manage staff, coordinate the UMB retrofit program with other City departments, provide public information, respond to the Seismic Safety Bond Program Board and the Board of Supervisors, monitor compliance with the retrofit program and with loan conditions, and monitor protective measures taken for tenants during construction.

The 1373 Special Assistant XIV would be the Financial Manager for the Seismic Safety Loan Program. The responsibilities of this position would include working with the CAO's Office to sell bonds as needed, serving on the UMB Loan

¹ All five requested positions would be employed at Step 1 for FY 1993-94.

Committee, overseeing the loan packaging consultants and the financial consultant who makes construction loans, and conducting the final audit of the UMB Bond Program.

The 1370 Special Assistant XI would be a Management Information Specialist, who would create the necessary databases in order to track building compliance timelines, compliance with loan conditions, program costs, and other components for the Seismic Safety Loan Program.

According to Ms. Kelly Hayden, the Program Administrator for the UMB Loan Program in the CAO's Office, the Management Information Specialist would be needed only for the first year of the 13-year Seismic Safety Loan Program in order to train the Program Administrator and Financial Manager to run the database system. Ms. Hayden advises that the other four positions would be needed for the entire duration of the Program.

The 1366 Special Assistant VII would be a Tenant Monitor, whose responsibilities would include providing information to prospective borrowers, reviewing tenant protection and relocation plans, investigating complaints, and working with the Bureau of Building Inspection in order to provide for tenant safety during construction.

The 1365 Special Assistant VI would be an Administrative Assistant, who would provide general information and technical assistance to the public on loan policies and guidelines, write and edit letters, serve as staff support for the UMB Loan Committee, maintain general financial records for the UMB Loan Program, and serve as the Office Manager and Personnel Officer.

Mandatory Fringe Benefits

\$7,571

The CAO is requesting \$7,571 (15.2 percent of Permanent Salaries of \$49,940) for Mandatory Fringe Benefits for the five proposed new positions.

Professional Services

\$29,000

The CAO's Office is requesting \$29,000 for the repayment of a loan which it received from the Office of Emergency Services for partially paying for the permanent salary and mandatory fringe benefits for a Program Administrator (Classification 1375, annual salary of \$89,001). This \$29,000 amount has been overbudgeted by \$568.

Other Non-Personal Services

Lease of space at 25 Van Ness Avenue from 5/1/94 through 6/30/94	\$6,046
Lease of copier from 5/1/94 through 6/30/94	2,000
Telephone and Voice Mail Services, 5/1/94 through 6/30/94	7,256
Consulting Services - Tenant Monitoring, 5/1/94 through 6/30/94	<u>15,000</u>

Total Non-Personal Services

30,302

Ms. Hayden reports that the CAO's Office is requesting \$15,000 for tenant monitoring consulting services rather than requesting an additional Tenant Monitor position on the advice of the Mayor's Office. The \$15,000 would be expended on a consultant for two months in order to provide tenant monitoring services to non-English speaking tenants. According to Ms. Hayden, although the cost of contracting out for these services of \$90,000 annually is greater than hiring one additional Civil Service employee, namely a 1366 Special Assistant VII at a maximum salary of \$46,067, the Mayor's Office denied the CAO's original request for one of the two Tenant Monitor positions and instead approved \$15,000 for contractual tenant monitoring services for a two-month period.

Materials and Supplies **\$5,000**

Equipment

Local Area Network	\$35,200	
Furniture	17,600	
FAX Machine	<u>2,200</u>	
Total Equipment		55,000

Services of Other Departments

Department of Public Works **50,000**

The CAO's Office is requesting \$50,000 for workorder funds for the Department of Public Works' Bureau of Building Inspection's (BBI) enforcement costs of the UMB Ordinance. This amount is for the permanent salaries and mandatory fringe benefits of three permanent BBI staff members who will be devoted to the UMB Loan Program on a full-time basis. The three positions and their estimated annual costs, including permanent salaries, mandatory fringe benefits and overhead expenses, are as follows:

5208 Civil Engineer	\$149,563
5206 Assistant Civil Engineer	117,115
6331 Building Inspector	<u>127,284</u>
Total Annual Cost	\$393,964

According to Mr. Dot Yee of the Bureau of Building Inspection (BBI), BBI's overhead rate of 73 percent is included in the estimated cost of these three positions. For the period from May 1, 1994 through June 30, 1994, the cost for these three positions would be \$65,661. Ms. Hayden advises that the CAO's Office is requesting only \$50,000 because this supplemental appropriation request was based on an original estimated cost of \$300,000 for these three positions.

BOARD OF SUPERVISORS
BUDGET ANALYST

City Attorney

The CAO Office's request for \$8,333 is for a work order to the City Attorney's Office to assist in the development of regulations and in the enforcement of the UMB Ordinance. According to Ms. Hayden, the CAO's Office will use at least 83 hours of the City Attorney's services between May 1, 1994 and June 30, 1994. Projected hours and hourly rates are as follows:

83 hours @ approximately \$100.00 per hour **\$8,333**

TOTAL \$235,146

Comments:

1. According to Ms. Hayden, there would be an estimated caseload of 100 loans per year. Ms. Hayden advises that the additional five positions may not be sufficient to administer the UMB Loan Program, based on a comparison with other loan programs operated by other City departments. Ms. Hayden indicates that the Mayor's Office of Housing's loan program is operated by six staff members that provide \$13 million in loans over four years. However, Ms. Hayden advises that the UMB Loan Program will make loans of an estimated \$35 million per year with only five staff. Ms. Hayden has submitted the attached detailed justification explaining the classification levels of the proposed five positions.

2. This proposed ordinance (File 101-93-110) would not appropriate funds for the Seismic Safety Loans to be made, but rather would provide funding only for the administrative costs involved in implementing the Program. A separate request for a supplemental appropriation of funds for the Seismic Safety Loan Program monies will be submitted to the Board of Supervisors.

3. Ms. Hayden advises that the earliest that the CAO's Office would be able to hire employees to fill the remaining four proposed positions (the Program Administrator position is already filled) would be June 1, 1994, based on approval of the proposed ordinances by the Board of Supervisors. Therefore, there would be only 2.5 pay periods remaining in FY 1993-94 rather than the expected five pay periods. Thus, the supplemental request for permanent salaries for the four proposed positions should be reduced, as follows:

<u>Classification</u>	<u>Biweekly Salary, Step 1</u>	<u>No. of Pay Periods, 6/1/94 through 6/30/94</u>	<u>Total Salaries Needed, 6/1/94 through 6/30/94</u>	<u>Proposed Supplemental Appropriation</u>	<u>Recommended Reduction</u>
1365 Special Assistant VI	\$1,355	2.5	\$3,388	\$6,775	\$3,387
1366 Special Assistant VII	1,457	2.5	3,643	7,285	3,642
1370 Special Assistant XI	1,946	2.5	4,865	9,730	4,865
1373 Special Assistant XIV	2,424	2.5	6,060	12,120	6,060
1375 Special Assistant XVI ²	2,806	5	<u>14,030</u>	<u>14,030</u>	<u>0</u>
Totals			\$31,986	\$49,940	<u>\$17,954</u>

4. The CAO's request of \$7,571 for Mandatory Fringe Benefits should also be reduced by \$2,709 to \$4,862 (15.2 percent of the recommended Permanent Salaries of \$31,986) in order to reflect the above recommended reduction in Permanent Salaries.

5. The request of \$29,000 for Professional Services to repay the loan from the Office of Emergency Services should be reduced by \$568 to reflect the balance that will remain after the Program Administrator's salary and fringe benefits are paid for the period from July 1, 1993 through April 30, 1994.

6. The request of \$30,302 should also be reduced by \$4,628 to \$25,674 for the copier lease and telephone and Voice Mail services, since these items will be necessary only after the four additional personnel are hired on June 1, 1994. Therefore, the amounts for the copier lease and telephone and Voice Mail services should be reduced from two months' funding to one month funding as follows:

² Ms. Hayden advises that funds for the permanent salary and mandatory fringe benefits of the Program Administrator (1375 Special Assistant XVI) are needed for five pay periods rather than 2.5 since the Program Administrator has already been hired.

Item	Proposed Supplemental Appropriation	Amount Needed 6/1/94 through 6/30/94	Recommended Reduction
Lease of Copier	\$2,000	\$1,000	\$1,000
Telephone and Voice Mail	<u>7,256</u>	<u>3,628</u>	<u>3,628</u>
Totals	\$9,256	\$4,628	<u>\$4,628</u>

According to Ms. Hayden, the \$6,046 request for the lease of space at 25 Van Ness cannot be reduced because the lease starts May 1, 1994.

7. The \$15,000 for the consultant that would perform tenant monitoring services, which consists of providing tenant protection, relocation plans, and other assistance to non-English speaking tenants, should be reserved, pending the selection of a consultant, the submission of budget details and the MBE/WBE status of the contractor. As previously noted, although the cost of contracting out these services is significantly greater than adding one additional Tenant Monitor position, the Mayor's Office rejected the CAO's request for one of the two requested Tenant Monitor positions and instead approved \$15,000 for tenant monitoring contractual services for a two-month period. The Budget Analyst recommends that if these services continue to be needed on an annual basis, than a permanent position, at a maximum salary of \$46,067, should be requested in lieu of consultant services at \$90,000 annually.

8. The \$5,000 request for Material and Supplies should be reduced by \$2,500 to \$2,500 since these items will only be needed after the four new staff are hired on June 1, 1994.

9. The present estimated administrative costs of the UMB Loan Program on an annualized basis total approximately \$1.1 million, excluding one-time equipment costs.

10. The following table is a summary of the recommended reductions in each category:

<u>Line Item Category</u>	<u>Requested Supplemental Appropriation</u>	<u>Recommended Reduction</u>	<u>Recommended Appropriation</u>
Permanent Salaries	\$49,940	\$17,954	\$31,986
Mandatory Fringe			
Benefits	7,571	2,709	4,862
Professional Services	29,000	568	28,432
Non-Personal Services	30,302	4,628	25,674
Materials and Supplies	5,000	2,500	2,500
Equipment	55,000	0	55,000
Services of Other			
Departments	<u>58,333</u>	<u>0</u>	<u>58,333</u>
Totals	\$235,146	<u>\$28,359</u>	<u>\$206,787</u>

- Recommendations:**
1. Reduce the supplemental appropriation by \$28,359 from \$235,146 to \$206,787, as reflected in the table above.
 2. Reserve \$15,000 for Tenant Monitoring Services, pending the selection of a consultant, the submission of budget details and the MBE/WBE status of the consultant.
 3. Approve the proposed supplemental appropriation ordinance, as amended.
 4. If Tenant Monitor services continue to be needed on an annual basis, than a permanent position, at a maximum salary of \$46,067, should be requested in lieu of consultant services at \$90,000 annually.

BOARD OF SUPERVISORS
BUDGET ANALYST

M E M O R A N D U M

April 18, 1994

To: Karen Kegg, Budget Analyst's Office

From: Kelly Hayden, CAO's Office

Subject: UMB Bond Program

Per your request, following is information regarding how this office arrived at classification levels for the five new positions requested for the Seismic Safety Loan Program.

Classification levels for the five positions were determined by looking to comparable City programs in the Mayor's Office of Housing, the Redevelopment Agency, and the CAO's Office. Programs were evaluated based on the size and urgency of the project, technical complexity, level of public involvement and degree of political sensitivity and visibility.

Program Administrator 1375:

Comparables: Project Manager II, 5504
\$2850 biweekly

Director, Solid Waste, 1374, Step 5
\$3169 biweekly

Deputy Director, MOH, 1372, Step 5
\$2737 biweekly

Financial Manager 1373:

Comparable: Spec. Asst. for Program Coordination, MOH, 5406
\$2492 biweekly

Management Information Specialist 1370:

Comparable: Management Information Sys. Specialist III, 1819
\$1899 - \$2309 biweekly

Tenant Monitor 1366:

Comparable: Housing Specialist, MOH, 1847
\$1642 - \$1994 biweekly

Housing Compliance Monitor, MOH, 1365, Step 3
\$1491 biweekly

Administrative Assistant 1365:

Comparable: Debt Management Assistant, CAO, 1365
\$1355 - \$1642 biweekly

Administrative Manager, Hotel Tax Grants for the
Arts, CAO, 1365
\$1355 - \$1642 biweekly

Attachment
Page 2 of 2

Memorandum to Karen Kegg
April 18, 1994
page two

The Seismic Safety Loan Program was made possible by the passage of Proposition A in November 1992. Proposition A is the single largest San Francisco bond measure ever approved by voters. \$350 million in loan funds will be available to 2,200 private owners of unreinforced masonry buildings. In addition to making loans, the program will also monitor protections for 27,000 tenants, participation by MBE/WBEs and the economically disadvantaged, and wages and benefits for all workers paid with bond funds.

I hope this information is helpful in assessing the classification levels that are requested for these positions. Please do not hesitate to call me at 554-7939 should you have any questions.

Item 12 - File 101-93-107

Departments: Department of Public Health, Division of Mental Health, Substance Abuse and Forensics

Item: Supplemental appropriation ordinance to create a new Case Management program for mentally ill jail inmates with the goal of reducing overcrowding of jail psychiatric facilities.

Amount: \$142,847

Source of Funds: Jail Overcrowding Fine Revenue

Description: According to Ms. Kate Monico-Klein of the DPH Division of Mental Health, Substance Abuse and Forensics, out of 490 acute mentally ill inmates of San Francisco County jails (that require inpatient psychiatric hospital treatment in accordance with State Law) in 1992, 132 acute mentally ill inmates were charged with a misdemeanor violation. These 132 inmates were transferred to San Francisco General Hospital (SFGH) for involuntary treatment, as required by State law. However, the SFGH forensic psychiatric ward could only accept 95 of the 132 and the 37 remaining acute mentally ill inmates were placed in a regular psychiatric hospital ward that lacks the security of the forensic psychiatric ward.

Ms. Monico-Klein reports that even with the availability of beds in the regular psychiatric hospital ward, some of the acute mentally ill inmates had to remain in jail safety cells at the four County jails for as long as 49 hours awaiting transfer to SFGH. DPH advises that acute mentally ill inmates should be hospitalized for treatment immediately. Further, DPH advises that keeping such inmates in the jail safety cell at Jail No. One located in the Hall of Justice, for more than 24 hours is a violation of the Stone vs. City and County of San Francisco Consent Decree. The Federal Court's Special Master monitoring the Consent Decree noted the City's violations by keeping acute mentally ill inmates in Jail No. One safety cell for more than 24 hours in a progress report to the Federal Court. This progress report included a recommendation that the City take the necessary actions to insure compliance with the 24-hour limit on safety cell housing at Jail No. One established by the Consent Decree.

The Department of Public Health proposes creating a new pilot Case Management Program, for a period of 15 months, for persons that are acute mentally ill. Ms. Monico-Klein indicates that such acute mentally ill persons, because of

BOARD OF SUPERVISORS
BUDGET ANALYST

their illness, have difficulty with basic living skills and often fail to maintain treatment schedules with the result that their behavior often results in arrest for misdemeanor nuisance crimes. Once arrested, these acute mentally ill persons must be hospitalized at SFGH at General Fund expense of \$800 per day per bed.

The objective of the proposed pilot Case Management Program is to decrease incarceration by providing alternatives to arrest and hospitalization at SFGH. The proposed Case Management Program is based on the results of a study performed by the Citywide Case Management Program of the University of California of San Francisco, a City contractor for medical services. The Citywide Case Management study determined that case management of acute mentally ill persons reduced the rate of arrest and hospitalization by 67 percent. Case management assists clients with living and functioning skills in a community setting rather than institutionalizing the clients in residential or hospital facilities.

The Department of Public Health would contract with Haight-Ashbury Free Clinics, Inc., Jail Psychiatric Service Program for the 15-month pilot program. The current Haight-Ashbury Free Clinics, Inc. contract with the City for jail aftercare services would be amended to add the proposed Case Management Pilot Program. Case management services would initially be provided to 20 acute mentally ill clients. Services would be provided to 40 clients when the second case manager is hired beginning in approximately February, 1995.

Under the proposed pilot program, case management services to acute mentally ill clients would include the following:

1. Temporary loans in varying amounts and assistance in obtaining housing, food and clothing (the client will repay the loans from Federal/State aid received by the client);
2. Assistance in applying for Federal and State aid;
3. Assistance in obtaining psychiatric, medical and substance abuse treatment;
4. Assistance in obtaining social services, such as vocational training, legal services and money management;
5. Reminders to keep treatment and court appointments; and

6. Social and life skills training that can lead to independent living in the community.

The long range goal of the proposed pilot Case Management Program is to have acute mentally ill persons a) living independently and functioning in the community (not in a residential treatment facility), b) receiving regular treatments and other appropriate services, c) establishing a legal source of income and d) not requiring intervention in the justice system.

Budget:

The proposed supplemental appropriation would provide funding for a 15-month contract with Haight-Ashbury Free Clinics, Inc., including one case manager for 15 months (1.25 FTE) and a second case manager for six months (beginning in the tenth month of the program or 0.5 FTE), as follows:

	<u>FTE</u>		
<u>Personal Services</u>			
Case Manager (15 mos.)	1.25	\$51,250	
Case Manager (6 mos.)	0.5	20,500	
Fringe Benefits (26.8%)		<u>19,219</u>	
Subtotal - Personal Services	1.75		\$90,969
<u>Operating Costs</u>			
Psychiatrist (consultant)		\$15,606	
Money Management Accounting		7,140	
Transportation and Supplies		1,800	
Furniture and Telephone Installation		2,000	
Hotel and Food Vouchers		9,750	
Program Evaluation		<u>5,000</u>	
Subtotal - Operating Costs			41,296
<u>Indirect Costs</u> (8% of Personal Services and Operating Costs)			<u>10,582</u>
Total Program Costs			\$142,847

Comments:

1. Haight-Ashbury Free Clinics, Inc., indicates that although the selection process has not yet been completed, the consulting Psychiatrist currently being considered for participation in this Program is a minority person.

2. The contract cost of \$142,847 for 15 months to provide case management services to 20 acutely mentally ill clients for the first nine months of the program and to 40 clients for the subsequent six months of the program results in a cost of approximately \$340 per client per month, as compared to the daily cost of \$800 per SFGH psychiatric treatment bed.

BOARD OF SUPERVISORS
BUDGET ANALYST

3. The proposed supplemental appropriation would fund the pilot Case Management Program using Jail Overcrowding Fine monies. The Federal Court must approve expenditures made from these Jail Overcrowding Fine monies. The Court has appointed a Special Master to Courts, Mr. Alan Breed, to make these expenditure authorizations. Mr. Breed has advised that the Jail Overcrowding Fine monies should only be used for new programs to reduce prison overcrowding. The expenditure of these monies should not be used to fund ongoing program costs. Therefore, the General Fund may be required to fund the Case Management Program beyond the 15-month pilot program.

Recommendation: Approval of the proposed supplemental appropriation to fund a new Program is a policy matter for the Board of Supervisors.

Item 13 - File 23- 94-2

Department: Controller's Office

Item: Resolution waiving the statute of limitations with respect to payment of certain warrants of the City and County of San Francisco, in the sum of \$16,422.25, a legal obligation of the City and County of San Francisco.

Description: According to Section 10.182 of the San Francisco Administrative Code, a warrant issued by the City and County of San Francisco becomes void one year from the date issued. The payee of the warrant may present the warrant to the Controller for payment up to three years from the date that it was rendered invalid, or four years from the original issue date. After that point, the Controller may no longer pay such a warrant because the statute of limitations has expired, unless approval is obtained from the Board of Supervisors.

The proposed resolution would waive the statute of limitations and authorize the Controller's Office to replace warrants issued to a) John B. Sullivan on May 31, 1983 in the amount of \$89.25 and b) Lone Pine Koala Sanctuary on April 22, 1988 in the amount of \$16,333.

Comments: 1. According to Mr. Honorato Layug of the Controller's Office, the \$89.25 warrant was issued to Mr. Sullivan, a previous City employee, 11 years ago, by the Health Service System for reimbursement for Mr. Sullivan's physical therapy treatment. Mr. Layug reports that Mr. Sullivan misplaced this warrant, which was never cashed and was subsequently cancelled by the Controller's Office. According to Mr. Layug, there are sufficient funds to pay the new warrant, which would be reissued by the Controller's Office.

2. Mr. John Madden of the Controller's Office reports that the \$16,333 warrant to Lone Pine Koala Sanctuary in 1988 was a payment voucher from the Recreation and Park Department. The Recreation and Park Department reports that this warrant was issued for the transfer of two female koalas to the San Francisco Zoo. The Lone Pine Koala Sanctuary, based in Brisbane, Australia, is a game park which raises koalas for sale to zoos around the world. According to Mr. Madden, Lone Pine Koala Sanctuary misplaced this warrant, which was never cashed and was subsequently cancelled by the Controller's Office. Mr. Madden advises that there are sufficient funds to pay this new warrant, which would be reissued by the Controller's Office.

BOARD OF SUPERVISORS
BUDGET ANALYST

• Memo to Budget Committee
April 20, 1994

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

BOARD OF SUPERVISORS
BUDGET ANALYST

Item 14 - File 38-94-3

Department: Mayor's Office of Emergency Services (OES)

Item: Resolution authorizing the acceptance of a gift of an emergency diesel generator valued at approximately \$1 million for eventual use in the Combined 911 Facility and Emergency Command Center.

Amount: \$1 million (estimated value per Admiral John Bitoff, Director of the Mayor's Office of Emergency Services)

Source of Gift: California Maritime Academy

Description: In order to improve the 911 communications systems of the Police Department, Fire Department and Department of Public Health's Paramedic Division and to consolidate these critical functions, the City has decided to construct a new Combined 911 Facility and Emergency Command Center. This facility, which is to be constructed within the next three years, will be in the vicinity of Jefferson Park on Turk Street between Gough and Laguna Streets.

According to Mr. Carl Hedleston, Coordinator of the Mayor's Office of Emergency Services (OES), in order for the Combined 911 Facility and Emergency Command Center to be fully operational, the Facility and Center will need to have two emergency diesel generators--one emergency diesel generator to serve as the primary source of electrical power in the event of loss of electrical power to the Facility and Center and the other emergency diesel generator to serve as an alternate supply of electrical power in the event that the first generator fails. OES currently has a 1,500-kilowatt emergency diesel generator which is on-site at the existing Emergency Command Center at 1003A Turk Street and which OES plans to use as the primary generator. The proposed gift is a 750-kilowatt emergency diesel generator and would serve as the alternate supply of emergency electrical power in the event that the 1,500-kilowatt generator fails.

The emergency diesel generator pertaining to this proposed resolution is currently owned by the California Maritime Academy, which is a four-year maritime-related State college. The generator, which was a gift to the Academy, is larger than the Academy's needs and as such, the Academy wishes to donate the generator at this time. According to Mr. Hedleston, the emergency diesel generator that would be donated by the Academy to OES, per this proposed resolution, is brand-new.

BOARD OF SUPERVISORS
BUDGET ANALYST

Mr. Hedleston reports that the emergency diesel generator will be held by the Department of Public Works (DPW) in storage until it is installed at the Combined 911 Facility and Emergency Command Center. In addition, Mr. Hedleston advises that routine maintenance of the proposed emergency diesel generator (such as operating the generator for one hour per week) will be provided by the Department of Electricity and Telecommunications (DET), which also provides the routine maintenance for OES' existing emergency diesel generator.

Comment:

Admiral Bitoff reports that the cost of storing the emergency diesel generator until the time of its use will be absorbed by DPW's operating budget and that storage space is currently available. In addition, Mr. Hedleston reports that the cost of routine maintenance will be absorbed by the DET's operating budget. According to Mr. Hedleston, the estimated annual labor cost of maintaining the proposed backup emergency diesel generator, once it is installed at the Combined 911 Facility and Emergency Command Center, would be approximately \$3,000 per year. Mr. Hedleston reports that he does not presently have an estimate of the additional annual cost for the diesel fuel that would be used during the maintenance activities.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Items 15 and 16 - Files 69-94-3 and 32-94-1

Item: Item 15, File 69-94-3 – Motion directing the Clerk of the Board of Supervisors to request a supplemental appropriation in order to appropriate the accumulated balance of the Cable Television Access Development and Program Fund for use by the three cable television access channels. The fund had an unappropriated balance of \$17,272 as of April 15, 1994.

Item 16, File 32-94-1 – Resolution urging the Mayor to approve a \$76,000 supplemental appropriation, for submission to the Board of Supervisors, which would provide funding from the Cable Television Access Development and Program Fund for public, educational and municipal access providers.

Amount: \$76,000

Description: Pursuant to a franchise agreement with the City, Viacom pays the City a franchise fee of five percent of its gross revenues. The Board of Supervisors adopted an ordinance (Ordinance No. 246-87) in 1987 which provided for the establishment of the Cable Television Access Development and Program Fund for the purpose of receiving a 0.2 percent allocation of the five percent cable television franchise fee proceeds and for the deposit of any gifts or grants received by the City for cable television access development purposes.

Pursuant to Ordinance No. 246-87, the monies in this Special Fund are appropriated as a part of the City's regular budget process for development of public, educational and municipal access to cable television. A total of \$120,000 was budgeted from this Special Fund for Fiscal Year 1993-94 in the City's annual budget for development of public (\$40,000), educational (\$40,000) and municipal access (\$40,000) to cable television.

Viacom pays Franchise Fees to the City on a quarterly basis. To date, the City has received \$101,216 from three quarterly Franchise Fee payments in 1993-94, or an average of \$33,739 per quarter. Based on a quarterly average of \$33,739 in Franchise Fee Revenues, the revised estimated unappropriated fund balance on June 30, 1994 would be \$51,011 as follows:

BOARD OF SUPERVISORS
BUDGET ANALYST

Fund Balance July 1, 1993	\$76,581
Franchise Fee Revenues Received from July 1, 1993 through April 15, 1994 (three quarterly payments)	<u>101,216</u>
Total Sources of Funds as of April 15, 1994	\$177,797
Less Previously Approved Obligations: Encumbrance for Governmental Access Funding Approved in June, 1993	40,525
Budgeted Access Appropriations for FY 1993-94	<u>120,000</u>
Unappropriated Franchise Fee Revenues as of April 15, 1994	\$17,272
Estimated Franchise Fee Revenue for Fourth Quarter (based on average received for first three quarterly payments)	<u>33,739</u>
Total Revised Estimate of Fund Balance at June 30, 1994	\$51,011

Under Item 16, File 32-94-1, a supplemental appropriation ordinance would be requested to appropriate the accumulated (unappropriated) balance of the fund, which was estimated to be approximately \$76,000.

Based on the revised estimate of the June 30, 1994 unappropriated Fund balance of \$51,011, the proposed resolution (File 32-94-1) should be amended to request a supplemental appropriation of \$51,000 instead of \$76,000. In accordance with Ordinance No. 315-89, the not-for-profit corporation performing public access functions will receive not less than one third of the \$51,000 or \$17,000 of this funding. Ordinance No. 315-89 does not specify how the remaining \$34,000 proportion would be distributed between public, educational and municipal access.

- Recommendations:**
1. Amend the proposed resolution (File 32-94-1) to request a supplemental appropriation of \$51,000 instead of \$76,000.
 2. Approvals of the proposed motion (Item 15, File 69-94-3) and the proposed resolution, as amended, (Item 16, File 32-94-1) are policy matters for the Board of Supervisors.

Item 17 - File 7-94-6

Department: Public Utilities Commission - Municipal Railway

Item: Resolution amending the Municipal Railway Fee Schedule to include a one-time, \$75.00 regional transit pass to be used on MUNI and other Bay Area transit systems during the summer of 1994, in conjunction with the World Cup Soccer tournament games.

Description: The Public Utilities Commission (PUC) reports that the World Cup Soccer tournament games will be held in the Bay Area during three weeks in June and July, 1994. In conjunction with the World Cup games, MUNI and other Bay Area transit agencies (SamTrans, CalTrain, and Santa Clara County Transit) are considering a \$75.00 regional transit pass which could be used as a flash pass (in lieu of payment of cash fares) on any of the participating transit agencies between June 20 and July 10, 1994. According to the PUC, the proposed regional transit pass will facilitate overall sightseeing within the Bay Area, as well as travel to World Cup events.

The PUC has scheduled a public hearing for Tuesday, April 19, 1994 to consider the proposed amendments to the Municipal Railway Fare Ordinance to include the proposed \$75.00 regional transit pass. As of the writing of this report, the Public Utilities Commission had not conducted this hearing and therefore had not recommended any revisions to Municipal Railway fares for purposes of participating in the proposed regional transit pass.

Comments: 1. The proposed revisions to Municipal Railway fares would specify that the proposed regional transit pass would be valid between June 20 and July 10, 1994 [21 days], and would be sold for \$75.00. Of the total \$75 cost, \$56 would be allocated to CalTrain, and the remaining \$19 would be distributed among MUNI (65 percent), San Mateo County Transit (17.5 percent) and Santa Clara County Transit (17.5 percent). Therefore, the proceeds from the sale of each pass would be distributed among the participating transit agencies as follows:

Peninsula Corridor Joint Powers Board (CalTrain)	\$56.00
San Francisco Municipal Railway	12.35
San Mateo County Transit	3.33
Santa Clara County Transit	<u>3.33</u>
Total Cost	\$75.01*
*Rounded to \$75.00	

2. The PUC reports that approximately 4,000 to 5,000 passes are expected to be sold, based on current information about

BOARD OF SUPERVISORS
BUDGET ANALYST

hotel reservations for soccer patrons and anticipated ridership (either to soccer games or elsewhere) by Bay Area residents. If 5,000 passes are sold, the PUC estimates that MUNI would realize revenues of \$61,750 from the sale of the pass (5,000 passes x \$12.35 per pass).

3. According to Ms. Kathleen Kelly of the PUC, the PUC does not expect local residents to use the proposed \$75.00 regional transit pass as a substitute for existing fare instruments (either cash or passes). Ms. Kelly notes that the proposed regional transit pass would be valid only at the end of June and the beginning of July, so that a commuter who used the proposed \$75.00 pass for commuting purposes would still have to pay regular fares at the beginning of June and the end of July. It would be more cost effective for a local commuter to buy regular CalTrain, MUNI, and SamTrans passes for both months (June and July) than to use the proposed regional transit pass for commuting purposes, according to Ms. Kelly.

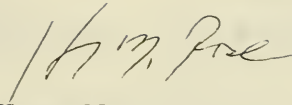
4. The PUC reports that, based on further discussions with CalTrain, MUNI may increase service to the CalTrain terminal in San Francisco during the World Cup games to accommodate increased ridership. The PUC reports that MUNI's costs for such potential additional service are expected to be minimal.

5. Ms. Kelly states that MUNI would not incur any costs to produce the pass or to administer the proposed fare revisions. Ms. Kelly states that the proposed regional transit pass would be produced and distributed by the Peninsula Corridor Joint Powers Board, which operates CalTrain. MUNI would be required only to honor the pass in order to realize its estimated \$61,750 share of the estimated revenues from the proposed regional transit pass, according to Ms. Kelly.

6. As previously noted, the proposed revisions to Municipal Railway fares had not been recommended by the Public Utilities Commission as of the writing of this report. The PUC will consider the proposed revisions at its meeting of Tuesday, April 19, 1994.

Recommendation: Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Memo to Budget Committee
April 20, 1994



Harvey M. Rose

cc: Supervisor Hsieh
President Alioto
Supervisor Bierman
Supervisor Conroy
Supervisor Hallinan
Supervisor Kaufman
Supervisor Kennedy
Supervisor Leal
Supervisor Maher
Supervisor Migden
Supervisor Shelley
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Robert Oakes
Ted Lakey

SF
590.07

#2

4/27/94

/// CALENDAR ... ACTION
/// BUDGET COMMITTEE
/// BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO

DOCUMENTS DEPT.

AUG 27 1996

SAN FRANCISCO
PUBLIC LIBRARY

WEDNESDAY, APRIL 27, 1994 - 1:00 P.M.

ROOM 228, CITY HALL

PRESENT: SUPERVISORS HSIEH, ALIOTO, BIERMAN

ABSENT: SUPERVISOR ALIOTO ON ITEM #7.

CLERK: MARY L. RED

1. File 101-90-124.5. [Reserved Funds, Recreation & Park Dept., \$434,500] Hearing requesting release of reserved funds, Recreation and Park Department 1987 Park Improvement Bond funds, in the amount of \$434,500, for McLaren Park Vista Overlook and Trails improvements. (Recreation and Park Department)

ACTION: Release of reserved funds in the amount of \$434,500 approved. FILED.

2. File 101-90-127.7. [Reserved Funds, Dept. of Public Works] Hearing requesting release of reserved funds, Department of Public Works, 1990 Earthquake Safety Bond Fund, in the amount of \$10,959,648, for the City Hall Relocation Project. (Department of Public Works)

ACTION: Release of reserved funds in the amount of \$4,959,648 approved. (See Budget Analyst recommendations for explanation). FILED.

3. File 101-91-74.7. [Reserved Funds, Dept. of Public Works] Hearing requesting release of reserved funds, Department of Public Works, 1990 Earthquake Safety Bond Fund, in the amount of \$12,787,749, fundings for the City Hall Relocation Project. (Department of Public Works)

ACTION: Release of reserved funds in the amount of \$18,787,749 approved. (See Budget Analyst recommendations for explanation) FILED.

4. File 101-93-111. [Appropriation, Airport] Ordinance appropriating \$277,031, Airports Commission, from the Airport operating fund balance to implement the Airport Master Plan for fiscal year 1993-94 (includes permanent salaries and mandatory fringe benefits, for the creation of twenty-four positions). RO #93281 Companion measure to File 102-93-33. (Controller)

ACTION: Amended on page 1 by reducing the appropriation from "\$277,031" to "\$147,629"; reducing the permanent salaries from "\$240,042" to "\$132,714"; and reducing mandatory fringe benefits from "\$27,989" to "\$14,915". Amended on page 2, line 10 to delete the Planner V position. New title: "Ordinance appropriating \$147,629, Airports Commission, from the Airport operating fund balance to implement the Airport Master Plan for fiscal year 1993-94 (includes permanent salaries and mandatory fringe benefits, for the creation of twenty-three positions)." RECOMMENDED AS AMENDED.

5. File 102-93-33. [Airport, Adds 24 Positions] Ordinance amending Annual Salary Ordinance, 1993-94, Airports Commission, reflecting the addition of twenty-four positions (Classifications 1242 Personnel Analyst (2), 1370 Special Assistant XI (1), 1374 Special Assistant XV (2), 1446 Secretary II (2), 1450 Executive Secretary I (1), 1458 Legal Secretary I (1), 1818 MIS Specialist II (2), 1824 Prin. Administrative Analyst (1), 1842 Management Assistant (1), 1864 Sr. Systems & Proc. Analyst (1), 3544 Curator III (1), 3547 Curator V (1), 5202 Jr. Civil Engineer (1), 5263 Planner V (1), 5289 Transit Planner III (1), 5320 Illustrator & Art Designer (1), 8151 Claims Investigator (1), 9212 Airfield Safety Officer (2), and 9220 Airport Operations Supervisor (1). Companion measure to File 101-93-111. (Department of Human Resources)

ACTION: Amended on page 1, line 3 by replacing "four" with "three" and on page 2, line 4 by deleting the Planner V position. New title: "Ordinance amending Annual Salary Ordinance, 1993-94, Airports Commission, reflecting the addition of twenty-three positions." RECOMMENDED AS AMENDED.

6. File 101-93-109. [Appropriation, Dept of Public Health] Ordinance appropriating \$2,202,704, Department of Public Health, from the Health Care MIS Reserve to implement a computer system for Medi-Cal Managed Care for fiscal year 1993-94 (includes salaries, mandatory fringe benefits, professional services, materials and supplies and equipment); subject of previous budgetary denial. RO #93274 (Supervisors Alioto, Hsieh)

ACTION: Amended on page 1 by reducing the appropriation from "\$2,202,704" to "\$2,187,253"; placing \$895,700 on reserve; and on lines 19 and 20 delete permanent salaries and mandatory fringe benefits. Amended on page 2, line 4 by adding a "Section 3". New title: "Ordinance appropriating \$2,187,253, Department of Public Health, from the Health Care MIS Reserve to implement a computer system for Medi-Cal Managed Care for fiscal year 1993-94 (includes salaries, mandatory fringe benefits, professional services, materials and supplies and equipment); subject of previous budgetary denial; placing \$895,700 on reserve." RECOMMENDED AS AMENDED. (Supervisors Alioto and Hsieh added as sponsors)

7. File 101-93-112. [Appropriation, Board of Supervisors] Ordinance appropriating \$43,260, Board of Supervisors, to salaries to hear property tax assessment appeals for fiscal year 1993-94, funded from the General Fund Reserve (\$9,264), rescission of mandatory fringe benefits (\$20,781) and anticipated fees (\$13,215). RO #93283 (Supervisor Alioto)

ACTION: RECOMMENDED. Supervisor Alioto absent. (Supervisor added as sponsor).

8. File 114-94-3. [Earthquake Hazard Reduction] Ordinance amending Building Code by amending Sections 1509 and 1511 to revise the criteria for the retrofit and unreinforced masonry bearing wall buildings greater than six stories in height. (Supervisors Hsieh, Alioto)

ACTION: Consideration continued to call of the chair. (Supervisor Alioto added as cosponsor)

9. File 38-94-1. [Gift Acceptance] Resolution accepting a gift from David Jenkins for the use of the National Service Blue Ribbon Commission. (Supervisors Alioto, Bierman)

ACTION: RECOMMENDED. (Supervisors Alioto and Bierman added as sponsors)

10. File 127-94-2. [Stadium Operator Admission Tax] Ordinance amending Part III, Municipal Code, by amending Section 802A to make technical changes and to extend the temporary admission tax and amending Section 804 to change the deadlines for remitting the tax to the City. (Supervisor Hallinan, Hsieh, Alioto, Bierman)

ACTION: Amendment of the Whole (reflecting Budget Analyst recommendations) adopted. New title: "Ordinance amending Part III, Municipal Code, by amending Section 802A to make technical changes and to extend the temporary admission tax, effective January 1, 1994, and amending Section 804 to change the deadlines for remitting portions of the tax to the City." RECOMMENDED AS AMENDED; to Full Board May 16, 1994 for public hearing at 3:00 p.m. (Supervisors Hsieh, Alioto, Bierman added as cosponsors)

11. File 244-94-3.1. [Presidio, National Park Service Contract] Resolution supporting the use and sale of local, public electrical power and urging the Mayor to direct the General Manager of the Public Utilities Commission to aggressively bid for the National Park Service Contract for the generation of electricity at the Presidio. (Supervisors Alioto, Shelley, Kaufman, Bierman, Hsieh)

ACTION: Amendment of the Whole (as presented by Supervisor Alioto) adopted. Further amended by Supervisor Kaufman. Amendment of the Whole reflecting all amendments adopted. New title: "Resolution supporting the use and sale of local, public electrical power and urging the Mayor to urge the Public Utilities Commission and the General Manager of the Public Utilities Commission to aggressively bid for the National Park Service Contract for the generation of electricity at the Presidio." RECOMMENDED AS AMENDED. (Supervisors Kaufman, Bierman, Hsieh added as cosponsors)

0.07
27-94
CITY AND COUNTY



Public Library, Documents Dept.
ATTN: Jane Judson
OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

DOCUMENTS DEPT.

APR 27 1994

SAN FRANCISCO
PUBLIC LIBRARY

April 25, 1994

TO: Budget Committee
FROM: Budget Analyst *Recommendations.*
SUBJECT: April 27, 1994 Budget Committee Meeting

Item 1 - File 101-90-124.5

Department: Recreation and Park Department (Rec/Park).

Items: Release of reserved funds for the Recreation and Park Department, in the amount of \$434,500, for McLaren Park Vista Overlook and Trails Improvements.

Amount: \$434,500.

Source of Funds: Proceeds from the 1987 Park Improvement Bonds.

Description: The Board of Supervisors previously approved legislation appropriating \$7,648,988 from the 1987 Park Improvement Bond Fund for various capital improvement projects, including improvements at McLaren Park. At the same time, the Board placed \$5,248,650 of that amount on reserve pending contract cost details and information on the MBE/WBE status of the contractors (File 101-90-124).

The Recreation and Park Department is now requesting that \$434,500 of these reserved funds be released as the McLaren Park Vista Overlook and Trails Improvement

Project has been put out to bid and awarded to Inter-Coastal Construction, a Joint Venture. The two members of the joint venture are Coastal Construction Management, an MBE firm, and Interstate Paving and Grading, Inc.

The contract award amount will be allocated as follows:

<u>Name of Contractor</u>	<u>Contract Allocation Amount</u>	<u>Percent of Contract Amount</u>	<u>MBE/WBE</u>
<u>Prime Contractors</u>			
Coastal Construction Management	\$72,750	19%	MBE
Interstate Paving & Grading, Inc.	<u>69,671</u>	18	no
Subtotal	\$142,421		
<u>Subcontractors</u>			
MH Construction	58,500	15	MBE
BB and L Trucking	16,000	4	MBE
B and F Concrete	54,754	14	no
RMT Landscape	102,725	27	no
JC Metal	<u>13,000</u>	<u>3</u>	no
Subtotal	<u>244,979</u>		
Total Contract	\$387,400	100%	

The following bids were submitted for this project:

<u>Name of firm</u>	<u>Amount</u>	<u>MBE/WBE</u>
Inter-Coastal, a Joint Venture	\$387,400	MBE
Esquivel Grading & Paving, Inc.	413,759	MBE
O.C. Jones & Sons	424,270	no
John Clay Landscape Contractors	433,439	no
Collishaw Construction Inc.	442,200	no
Cuevas & Mannion Construction	557,400	MBE

The McLaren Park Vista Overlook and Trails Improvement Project includes: (1) construction of a vista overlook at the corner of Mansell Street and Visitacion Avenue that would be accessible to the disabled; (2) trail improvements along Mansell Street; (3) roadside railing along Mansell Street to prevent vehicles and motor bikes from traveling off the

road; (4) landscaping at the vista overlook; and (5) curbing, landscaping and irrigation in the Mansell Street Median.

The Project budget includes the following costs:

Construction	\$387,400
Construction Contingency (11.2%)	43,500
Testing of materials	<u>3,600</u>
Subtotal- Subject of Requested Release of Reserve	\$434,500
Construction Management	<u>52,600</u> *
Total Project Budget	\$487,100

* Funding for construction management by the Department of Public Works in the amount of \$52,600 was previously appropriated from the 1987 Park Improvement Bond Fund.

Comment:

The construction contingency of \$43,500 is approximately 11.2 percent of total construction costs. Ms. Deborah Learner of the Department of Recreation and Parks reports that this amount is higher than the "normal" contingency rate of ten percent because of the serious damage caused to the McLaren Park landscape by off-site vehicle activity.

Recommendation:

Release the requested reserved funds in the amount of \$434,500.

Items 2 and 3 - Files 101-90-127.7 and 101-91-74.7

Department: Department of Public Works (DPW)

Items: File 101-90-127.7 - Hearing requesting release of reserved funds in the amount of \$10,959,648 for the City Hall Relocation Project.

File 101-91-74.7 - Hearing requesting release of reserved funds in the amount of \$12,787,749 for the City Hall Relocation Project.

Reserve Amount: \$23,747,397

Source of Funds: Earthquake Safety Program Phase II Bond Proceeds:
\$10,959,648 - Second Bond Sale (June, 1991); File 101-90-127.7
12,787,749 - Third Bond Sale (June, 1992); File 101-91-74.7
\$23,747,397 - Total

Project: City Hall Relocation Project

Description: In June 1990, San Francisco voters authorized the sale of \$332.4 million in Earthquake Safety Bonds to fund capital improvements to repair earthquake damage, provide seismic upgrading and improve the infrastructure for various City-owned properties, including City Hall. However, the Department of Public Works (DPW) advised the Chief Administrative Officer (CAO) that the seismic repair and retrofitting of City Hall could not occur without jeopardizing the safety of employees who occupy the building, as the construction work performed on City Hall would render the building less stable and thereby more vulnerable to earthquakes during the construction period. Therefore, the CAO has recommended the relocation of all City employees out of City Hall as soon as possible in order to facilitate the expeditious and cost-effective seismic repair of City Hall. The Board of Supervisors subsequently approved three leases for the temporary relocation of City employees whom currently occupy City Hall. The Real Estate Department expects that all City Hall tenants will be relocated on or before January 1, 1995, but no later than March 31, 1995.

The DPW estimates that the cost of the City Hall Relocation Project will total \$37,946,383. The following table shows a breakdown of the \$37,946,383 cost estimate:

Memo to Budget Committee
April 27, 1994

	633 Folsom Street ¹	875 Stevenson Street ¹	Veterans Building ²	Other Locations ³	Total Estimated Costs
Moving Costs	\$435,000	\$412,000	\$406,500	\$13,000	\$1,266,500
Leasing Costs	8,166,384	6,760,270	1,323,945	471,542	16,722,141
Tenant Improvements	5,212,660	3,520,974	1,449,625	853,888	11,037,147
Computer and Telecommunications Relocation Costs	855,000	2,804,000	594,000	2,280,000	6,533,000
Other Costs	<u>1,211,532</u>	<u>724,008</u>	<u>375,260</u>	<u>76,795</u>	<u>2,387,595</u>
Totals	\$15,880,576	\$14,221,252	\$4,149,330	\$3,695,225	<u>\$37,946,383</u>

In June of 1991, the Board of Supervisors appropriated \$18,366,998 in Earthquake Safety Program Phase Two Bond proceeds from the second bond sale for the seismic repair of City Hall. Of this amount, \$12,366,998 was reserved pending the selection of contractors to perform seismic design and construction. Subsequently, \$7,407,350 of this amount was released for the dome repair and seismic upgrade of City Hall, thereby leaving a balance on reserve of \$4,959,648 (See Comment No. 1). In June of 1992, the Board of Supervisors appropriated an additional \$28,800,000 in Earthquake Safety Program Phase Two Bond proceeds from the third bond sale for the seismic repair of City Hall, \$21,300,000 of which was reserved pending the selection of a construction contractor. These two prior appropriations totaled \$47,166,998, with total current reserves of \$26,259,648. The DPW is now requesting the release of \$23,747,397 of the previously reserved funds for the City Hall Relocation Project.

¹ See section below on 18-month Lease Prepayments for City departments and operations that will be relocated to 633 Folsom Street and 875 Stevenson Street.

² The following City departments will be relocated to the War Memorial Veterans Building located at 401 Van Ness Avenue: the Mayor's Office, the Board of Supervisors, the Law Library and certain functions of the City Attorney.

³ The DPW's basement storage, the Department of Electricity and Telecommunications (DET), the Controller's Information Services Division (ISD), and the DPW's Testing Lab will be relocated to various other locations.

BOARD OF SUPERVISORS
BUDGET ANALYST

The requested \$23,747,397 would provide funding for the following expenditures:

Moving Expenses

\$633,250

The DPW is requesting one-half, or \$633,250, of the total budgeted moving expenses of \$1,266,500 for the City Hall Relocation Project. Mr. Tony Irons of the DPW's Bureau of Architecture reports that the remaining \$633,250 for moving expenses will be requested when City Hall tenants return after the seismic repair of City Hall is completed.

The Real Estate Department estimates that the cost of moving is approximately \$250 per employee per move. Since there will be approximately 1,429 employees relocating from City Hall to other locations and then moving back, the cost of moving employees is projected to be \$714,500 (\$250 per employee multiplied by 1,429 employees multiplied by two moves). In addition, \$552,000 is budgeted for special moves, such as the Law Library and Reproduction Services, for a total estimated cost of \$1,266,500. A contractor to perform these moving services has not yet been selected (See Comment No. 2).

18-Month Lease Prepayments

7,178,760

875 Stevenson Street (3,348,000)

The Board of Supervisors previously approved a lease of property at 875 Stevenson Street, commonly known as the San Francisco Mart (Mart II) for the temporary relocation of the following departments and operations currently located at City Hall: the Assessor, the Treasurer, the Tax Collector, the County Clerk Recorder, the Controller, the Purchaser, the Department of Public Works, the Chief Administrative Officer, Civil Service, the Human Resources Department, the Transportation Commission/MUNI, Convention Facilities operations and Permit Appeals operations. The lease will commence on or about January 1, 1995 (but no later than March 31, 1995) and expire on December 31, 1997.

The total base rental amount for the three year period of the lease is approximately \$6,696,000 (approximately \$186,000 per month or \$2,232,000 per year), plus or minus 15 percent. The City has agreed to pay the landlord, Western Merchandise Mart, 18 months rent in advance upon the commencement of the lease, amounting to \$3,348,000, in order to receive a lower rental rate and to compensate the landlord for its substantial up front expenditure to bring the building up to Building Code standards for City occupancy. The DPW is therefore

requesting the release of \$3,348,000 for the 18-month lease prepayment for 875 Stevenson Street.

633 Folsom Street (\$3,830,760)

The Board previously approved a lease between the City and the General Partnership of the Swig Investment Company, the Robert Haynie Family, the Adlai Stevenson Family and the Weiler Investment Company, for the temporary relocation of the Municipal and Superior Civil Courts, Court-related Administrative Divisions and other City departments and operations as follows: the Registrar of Voters, the Sheriff and the Reproduction/Mail Operations of the Purchasing Department. The lease will commence on or about January 1, 1995 (but no later than March 31, 1995) and expire on December 31, 1997.

The total base rental amount for the three year period of the lease is \$7,661,520 (\$212,820 per month or \$2,553,840 per year). The City has agreed to pay the landlord 18 months rent in advance, amounting to \$3,830,760, in order to recognize the substantial up front expenditure by the landlord to bring the building up to Building Code standards for City occupancy and to make the terms of the lease consistent with those of the 875 Stevenson Street lease. Therefore, the DPW requests the release of \$3,830,760 for the 18-month lease prepayment for 633 Folsom Street.

Tenant Improvements

\$11,037,147

The DPW is requesting a total of \$11,037,147 for tenant improvements of the temporary sites to be occupied by current City Hall tenants. Mr. Irons reports that such tenant improvements will consist primarily of office improvements such as carpeting, painting, tiling, partitioning, and installing basic electric, telephone and computer connections at the new locations. In addition, funds will be expended on building the courtrooms for the Superior and Municipal Courts at 633 Folsom Street, which will consist of installing jury seating, benches, witness stands and bailiff quarters.

Tenant Improvements - 875 Stevenson Street (\$3,520,974) and 633 Folsom Street (\$5,212,660)

The lease between the City and Western Merchandise Mart for the lease of space at 875 Stevenson Street provides that the landlord shall complete all tenant improvements on behalf of the City and be financially responsible for up to \$1,350,000 or 27.7 percent of such tenant improvement costs. The Real Estate Department estimates that the tenant improvements

will cost a total of \$4,870,974, of which \$3,520,974 or 72.3 percent represents costs to the City.

The Real Estate Department reports the following estimated costs for tenant improvements at 875 Stevenson Street:

Assessor	\$377,200
Treasurer	315,388
Tax Collector	402,788
County Clerk/Recorder	303,600
Controller	598,288
Purchaser	167,613
Transportation Commission/MUNI	75,323
DPW: Director	69,803
DPW: Streets and Mapping	200,675
DPW: OFFMA	255,444
DPW: Maintenance	43,125
DPW: Janitorial	43,125
CAO	178,538
Convention Facilities	8,338
Civil Service	43,700
Human Resources	330,338
Permit Appeals	23,000
Cafeteria	28,750
Meeting Room	15,000
Assembly Room	35,938
Mail Distribution	<u>5,000</u>
Total	\$3,520,974

The lease between the City and the General Partnership of the Swig Investment Company, the Robert Haynie Family, the Adlai Stevenson Family and the Weiler Investment Company for the lease of space at 633 Folsom Street provides that the landlord shall complete all tenant improvements on behalf of the City and be financially responsible for up to \$1,532,304 or 22.7 percent of such tenant improvement costs. The Real Estate Department estimates that the tenant improvements will cost a total of \$6,744,964, of which \$5,212,660 or 77.3 percent represents costs to the City.

The Real Estate Department reports the following estimated costs for tenant improvements at 633 Folsom Street:

Superior Courtrooms	\$2,100,000
Municipal Courtrooms	900,000
Court Support Spaces	1,480,000
Reproduction Room	244,720
Registrar of Voters	343,850
Sheriff	134,090
Snack Bar	<u>10,000</u>
Total	\$5,212,660

According to the Real Estate Department, the base Building Code improvements, all of which are to be paid for by the landlord, are estimated to be significantly higher than normal because the space at 633 Folsom Street is currently used for showrooms and will have to be converted to use as office space. In addition, the Real Estate Department reports that, in general, for a typical long term lease, the landlord's share of tenant improvements ranges from \$25 to \$35 per square foot. The Real Estate Department advises, however, that because these two leases are short term and are not typical with regard to the base improvements required to bring the buildings up to Code, the landlord's share of tenant improvements is only \$9 per square foot.

The Real Estate Department also advises that, given the short term of the leases, the landlords will not be able to take advantage of amortizing tenant improvement costs over a long term period. Furthermore, a considerable portion of the tenant improvements will be unique to the City's use and as such will have little if any residual benefit to the landlords once the City vacates the premises.

The tenant improvements for 875 Stevenson Street will be performed by Webcor, Incorporated. The tenant improvements for 633 Folsom Street will be performed by Swinerton - Walberg, Incorporated. Since these contractors are working under agreements with the building owners, they are exempt from compliance with the Human Rights Commission's (HRC) requirements. However, given the large amount of monies involved, the DPW has initiated a voluntary participation program. The DPW, the HRC, the building owners and their contractors have agreed to allocate 20 percent, or \$1,746,727 of the total City funds of \$8,733,634 for tenant improvements at 875 Stevenson Street and 633 Folsom Street combined, to MBE and WBE firms, allocating 17 percent to MBE firms and three percent to WBE firms.

Tenant Improvements - War Memorial Veterans Building (\$1,449,625)

The Memorandum of Understanding (MOU) between the War Memorial Board of Trustees and the City for the lease of space at the War Memorial Veterans Building provides that the City shall complete, at its own cost, all needed tenant improvements. According to the Real Estate Department, although the War Memorial may derive some future benefit from the tenant improvements, the War Memorial was not requested to pay a share of these tenant improvement costs, given that the City is not being charged rent for the use of this space.

The DPW reports that a contractor has not yet been selected to perform the necessary tenant improvements at the War Memorial Veterans Building (See Comment No. 2). The Real Estate Department reports the following estimated costs for necessary tenant improvements at the War Memorial Veterans Building:

Mayor's Office	\$355,063
Board of Supervisors	334,362
Legislative Chambers	108,100
Board of Supervisors Committee Room	30,475
Ethics Commission	14,375
Telecommunications Policy Commission	14,375
Law Library	276,000
City Attorney	230,000
Press Room	28,750
Hearing Room	43,125
Public Utilities Commission (PUC)	
Information Kiosk	5,000
Snack Bar	5,000
Mail Distribution	<u>5,000</u>
Total	\$1,449,625

Tenant Improvements - Other Locations (\$853,888)

The Real Estate Department reports the following estimated costs for necessary tenant improvements at the other locations to which City Hall tenants are being relocated:

DPW Storage at DPW Yard on Army Street	\$25,000
DET at 901 Rankin Street	158,976
DPW Testing Lab at North Point Sewage Treatment Center	<u>669,912</u>
Total	\$853,888

BOARD OF SUPERVISORS
BUDGET ANALYST

The DPW's Bureau of Building Repair is performing the tenant improvements for DPW Storage and DET. A contractor has not yet been selected for the tenant improvements at the DPW's Testing Lab, at an estimated cost of \$669,912 (See Comment No. 2).

Telecommunications/Computer Relocation \$4,898,240

The DPW is requesting approximately 75 percent, or \$4,898,240, of the total budgeted expenses of \$6,533,000 for the relocation of telecommunications and computer equipment from City Hall to the various new locations. Mr. Irons advises that because of the need to install wiring and cabling at the new sites not equipped for the City's computers and telecommunications equipment, the DPW is currently requesting approximately 75 percent, rather than 50 percent, of the total budgeted amount for the relocation of such equipment. Mr. Irons reports that the DPW will request the remaining 25 percent, or \$1,634,760, when the computers and telecommunications equipment are returned to City Hall.

The DPW estimates that the total cost for the relocation of computer equipment will be \$3,142,000 (an average of approximately \$261,833 per mainframe computer multiplied by 12 mainframes). According to Mr. Irons, these cost estimates for computer relocation, which are based on information provided by DPW's Computer Services Division, are high because the computers must be moved by special movers into climate controlled rooms and cabling and wiring for the computers must be installed. Mr. Irons reports that the computer vendor, IBM, will perform the computer relocation services.

The DPW also estimates that the total cost to relocate the City Hall tenants' telecommunications equipment will be \$288,000 for the Superior and Municipal Courts⁴ (\$1,000 per telephone unit multiplied by 288 telephone units) and \$3,103,000 for the remaining City Hall tenants (\$2,000 per telephone unit multiplied by 1,551.5 telephone units), for a total of \$3,391,000. According to Mr. Irons, these cost estimates for telecommunications equipment relocation, which are based on information from the DET, are high because the main Telephone Switch, currently located in City Hall, must be moved, stored, and redesigned. Mr. Irons reports that AT&T

⁴ Since the Superior and Municipal Courts will be moving to their new permanent locations and will not be returning to City Hall, funds for the relocation of the Courts' computer and telecommunications equipment were budgeted only for the move out of City Hall.

will perform the telecommunications equipment relocation services for the City.

TOTAL REQUEST **\$23,747,397**

Comments:

1. Mr. Irons reports that there is a current balance of only \$4,959,648 in Earthquake Safety Program Phase II Bond proceeds on reserve from the second bond sale of June, 1991. This is \$6,000,000 less than the DPW's current request for \$10,959,648 (File No. 101-90-127.7). Therefore, the DPW's request for the release of reserved funds should be amended, as follows:

Bond Sale	Current Balance on Reserve	Original Request	Revised Request	New Balance on Reserve
June, 1991 (Second Bond Sale)	\$4,959,648	\$10,959,648	\$4,959,648	0
June, 1992 (Third Bond Sale)	<u>21,300,000</u>	<u>12,787,749</u>	<u>18,787,749</u>	<u>\$2,512,251</u>
Total	\$26,259,648	\$23,747,397	\$23,747,397	\$2,512,251

2. As previously noted, because certain contracts have not yet been awarded, the following amounts should continue to be reserved, pending the selection of the contractors, the submission of budget details and the MBE/WBE status of the contractors:

Project

Moving Services	\$633,250
War Memorial Veterans Building - Tenant Improvements	1,449,625
DPW Testing Lab - Tenant Improvements	<u>669,912</u>
Total Reserve	\$2,752,787

Therefore, a total of \$20,994,610 (\$23,747,397 less \$2,752,787) should be released, leaving a balance of \$5,265,038 on reserve (\$2,752,787, as detailed in Comment No. 2 above, plus \$2,512,251, as detailed in Comment No. 1 above).

Recommendations: 1. Reduce the funding source of the requested release of reserved funds of \$10,959,648 (File No. 101-90-127.7) by

BOARD OF SUPERVISORS
BUDGET ANALYST

\$6,000,000 to \$4,959,648. Increase the funding source of the requested release of reserved funds of \$12,787,749 (File No. 101-91-74.7) by \$6,000,000 to \$18,787,749.

2. Reduce the requested release of reserved funds by \$2,752,787 from \$23,747,397 to \$20,994,610.

3. Continue to reserve \$2,752,787, pending the selection of contractors, the submission of budget details and the MBE/WBE status of the contractors, in accordance with Comment No. 2 above.

4. Report back to the Budget Committee as to the specific amounts of the Tenant Improvement funds allocated to MBE/WBE firms, including the name of the contractors and the amounts allocated.

Items 4 and 5 - Files 101-93-111 and 102-93-33

Department: San Francisco International Airport

Items: Supplemental Appropriation Ordinance (Item 4, File 101-93-111) to fund 24 new positions.

Ordinance (Item 5, File 102-93-33) to amend the FY 1993-94 Annual Salary Ordinance by adding 24 positions.

Amount: \$277,031

Source of Funds: Airport Operating Fund - Unappropriated Revenue

Description: The proposed ordinance (File 102-93-33) to amend the FY 1993-94 Annual Salary Ordinance would create 24 new permanent positions as follows:

<u>No.</u>	<u>Classification</u>	<u>Biweekly Salary Range</u>	<u>Annual Salary at Top Step</u>	<u>Total Annual Salary at Top Step</u>
2 1242	Personnel Analyst	\$1,520-1,844	\$48,128	\$96,256
1 1370	Special Assistant XI	1,946-2,365	61,726	61,726
2 1374	Special Assistant XV	2,607-3,169	82,710	165,420
2 1446	Secretary II	1,185-1,436	37,479	74,958
1 1450	Executive Secretary I	1,291-1,565	40,846	40,846
1 1458	Legal Secretary I	1,388-1,682	43,900	43,900
2 1818	MIS Specialist II	1,565-1,899	49,563	99,126
1 1824	Principal Administrative Analyst	2,145-2,607	68,942	68,942
1 1842	Management Assistant	1,421-1,723	44,970	44,970
1 1864	Sr. Systems & Procedures Analyst	1,946-2,365	61,726	61,726
1 3544	Curator III	1,491-1,809	47,214	47,214
1 3547	Curator V	2,094-2,545	66,424	66,424
1 5202	Junior Civil Engineer	1,421-1,723	44,970	44,970
1 5263	Planner V	2,472-3,005	78,430	78,430
1 5289	Transit Planner III	1,756-2,135	55,723	55,723
1 5320	Illustrator & Art Designer	1,520-1,844	48,128	48,128
1 8151	Claims Investigator	1,909-2,319	60,525	60,525
2 9212	Airfield Safety Officer	1,550-1,881	49,094	98,188
<u>1</u> 9220	Airport Operations Supervisor	1,853-2,252	<u>58,777</u>	<u>58,777</u>
24			\$1,049,275	\$1,316,249

The proposed supplemental appropriation ordinance (File 101-93-111) would fund the proposed 24 new permanent positions for the 2.5-month period from April 15, through June 30, 1994, at Step 1, as follows:

Memo to Budget Committee
April 27, 1994

2	1242	Personnel Analyst	(2 x \$1,520 x 6.0 bwpp)	\$18,240
1	1370	Special Assistant XI	(1 x \$1,946 x 6.0 bwpp)	11,676
2	1374	Special Assistant XV	(2 x \$2,607 x 6.0 bwpp)	31,284
2	1446	Secretary II	(2 x \$1,185 x 6.0 bwpp)	14,220
1	1450	Executive Secretary I	(1 x \$1,291 x 6.0 bwpp)	7,746
1	1458	Legal Secretary I	(1 x \$1,388 x 6.0 bwpp)	8,328
2	1818	MIS Specialist II	(2 x \$1,565 x 6.0 bwpp)	18,780
1	1824	Principal Administrative Analyst	(1 x \$2,145 x 6.0 bwpp)	12,870
1	1842	Management Assistant	(1 x \$1,421 x 6.0 bwpp)	8,526
1	1864	Sr. Systems & Procedures Analyst	(1 x \$1,946 x 6.0 bwpp)	11,676
1	3544	Curator III	(1 x \$1,491 x 6.0 bwpp)	8,946
1	3547	Curator V	(1 x \$2,094 x 6.0 bwpp)	12,564
1	5202	Junior Civil Engineer	(1 x \$1,421 x 6.0 bwpp)	8,526
1	5263	Planner V	(1 x \$2,472 x 6.0 bwpp)	14,832
1	5289	Transit Planner III	(1 x \$1,756 x 6.0 bwpp)	10,536
1	5320	Illustrator & Art Designer	(1 x \$1,520 x 6.0 bwpp)	9,120
1	8151	Claims Investigator	(1 x \$1,909 x 6.0 bwpp)	11,454
2	9212	Airfield Safety Officer	(2 x \$1,550 x 6.0 bwpp)	18,600
1	9220	Airport Operations Supervisor	(1 x \$1,853 x 6.0 bwpp)	11,118
24		Subtotal - Permanent Salaries		\$249,042
		Subtotal - Mandatory Fringe Benefits		<u>27,989</u>
		Total - Personnel		\$277,031

On February 1, 1994, the Airports Commission approved Resolution No. 94-0015 authorizing the Director of Airports to request a supplemental appropriation to fund 27 new Airport Master Plan positions (reduced to 24 new positions by the Mayor's Office) in the Airport's Operations Division. As stated in Resolution No. 94-0015, the new positions are to support the implementation of the Airport's \$2.4 billion Master Plan. The Airport's \$2.4 billion Master Plan consists of approximately 45 construction projects and a variety of demolition, survey, and site testing work projects. The major projects within the Master Plan include a new International Terminal, new rental car parking structures and a Ground Transportation Center, an Airport Light Rail System, and new cargo and aircraft maintenance buildings.

The Airport has provided the Budget Analyst with the following justification for the 19 position classifications, totaling 24 new positions, as follows:

Owner Controlled Insurance Program (OCIP) - 2 Positions

- 1 1450 Executive Secretary
- 1 8151 Claims Investigator

The Executive Secretary and the Claims Investigator positions would assist in the ongoing management of the Owner-Controlled Insurance Program recently approved by

BOARD OF SUPERVISORS
BUDGET ANALYST

the Airports Commission (See Comment No. 1). This Program is designed to maximize the participation of small, minority and women business enterprises in the Master Plan construction projects.

Planning and Design - 10 Positions

- 1 1370 Special Assistant XI
- 2 1374 Special Assistant XV
- 1 1824 Principal Administrative Analyst
- 1 1446 Secretary II - Exhibitions
- 1 3544 Curator III - Exhibitions
- 1 3547 Curator V - Exhibitions
- 1 5202 Junior Civil Engineer
- 1 5263 Planner V
- 1 5289 Transit Planner III

Three Project Managers (Two Special Assistant XV and a Special Assistant XI) would handle Airport planning functions primarily related to the implementation of measures under the Master Plan Mitigation Program. The mitigation measures primarily focus on ground transportation and home insulation but also cover a wide range of other areas. These positions would work closely with neighboring communities and other governmental agencies. One new administrative position, a Principal Administrative Analyst, would administer funding under the \$120 million home insulation program.

Two new transit planning positions, one Planner V and a Transit Planner III would have responsibility for developing and managing the programs to reduce ground transportation traffic at the Airport. The goal of these programs is to encourage employees and passengers to use rideshare alternatives. This would involve working with Bay Area transit agencies and with private ground transportation operators. A new Junior Civil Engineer position would assist in the implementation and enforcement of environmental rules and regulations pertaining to hazardous waste and waste water treatment.

Under the Airport's Master Plan, an additional 1,200 linear feet of exhibition space will be added in the new International Terminal. In addition, the Commission has authorized the creation of a new Aviation Museum and a Children's Museum Program. According to the Airport, the planning and development of these programs and the necessary acquisition work require the addition of one Secretary II -

BOARD OF SUPERVISORS
BUDGET ANALYST

Exhibitions position and two curator positions, a Curator III - Exhibitions and a Curator V - Exhibitions. The Airport reports that additional curator positions will not be needed for the ongoing operation of the Airport's Exhibition and Museums Program.

Construction Management - 9 Positions

- 1 1458 Legal Secretary
- 1 5320 Reproduction Specialist
- 2 1818 Management Information Systems Specialist II
- 1 1864 Senior Systems & Procedures Analyst
- Data Processing
- 1 1842 Management Assistant - License & Permit Bureau
- 2 9212 Safety Officer - Airfield
- 1 9220 Operations Supervisor - Airfield

A variety of support positions related to construction management would be added. Two new Safety Officer - Airfield positions and an Operations Supervisor - Airfield position would (1) monitor and control the construction vehicles accessing the airfield and (2) provide airfield construction escorts. A new Management Assistant - License & Permit Bureau position would assist in handling the increased volume of permits and I.D. cards issued to contractors and architectural and engineering firms performing work at the Airport.

Two Management Information System Specialist II positions would assist in inputting architectural and engineering drawings into the new Geographic Information System. They would also assist project managers in extracting data from the system and in the ongoing management of the system.

One new Senior Systems and Procedures Analyst - Data Processing position would assist in the design and development of (1) improved management reports on Master Plan construction costs and (2) an Airport Revenue and Business Management System which will serve as a comprehensive financial management system used to generate invoices, track leases and permits and provide financial and air traffic reporting.

One new Reproduction Specialist position in the Airport's Reproduction Office would assist in handling the reproduction of the large volume of bid documents. A Legal

Secretary position would assist in handling the legal documents related to the Master Plan Construction Program.

Personnel - 3 Positions

2 1242 Personnel Analyst
1 1446 Secretary II

Airport staff and Human Resources Department staff are in the process of establishing an agreement whereby the Human Resources Director would decentralize the examination and classification functions to the Airport during the first quarter of FY 1994-95 (See the Attachment). According to the Airport, the decentralization of the personnel function is expected to improve management control and to speed up the hiring of new personnel. Three new personnel positions have been requested to implement this decentralized personnel program.

Comments:

1. The Owner-Controlled Insurance Program (OCIP) is an insurance program established by the Airport whereby the Airport purchases public liability, workers' compensation, and builders' risk coverage for itself and all of its construction and construction-related contractors and subcontractors. Therefore, contractors and subcontractors do not purchase their own insurance coverages for OCIP-covered items and do not include the costs of such items in their construction bids. As reported, the OCIP is particularly helpful to MBE/WBE contractors.

2. Regarding the Airport's request for three new personnel positions, Mr. John Martin of the Airport reports that the additional personnel positions are required to (1) enhance the Department's capabilities to operate a decentralized examination and classification function, as previously discussed and as cited in the memorandum from the Human Resources Director in the Attachment, and (2) to review and process the new maintenance and operations positions that will be required to operate the new Master Plan facilities, when completed. Mr. Martin reports that between 150 and 200 additional new positions will be added to the Airport between now and 1998 to operate the new facilities. Further, Mr. Martin states that the requested three additional personnel positions represent all of the personnel-related positions that the Airport would require to service the Airport through at least 1998, when the major Master Plan projects will be operational.

3. The FY 1993-94 Annual Standardization Ordinance (ASO) includes 1,162 permanent positions assigned to the Airport, including five Airport Commissioners. The Airport currently has the following permanent positions to provide personnel services to its 1,162 authorized positions.

<u>Classification/Title</u>	<u>No. of Positions</u>
1272 Senior Department Personnel Officer	1
1270 Department Personnel Officer	1
*1246 Principal Personnel Analyst	1
1244 Senior Personnel Analyst	2
1242 Personnel Analyst	2
*1242 Personnel Analyst	3
1232 Training Officer	1
1204 Senior Personnel Clerk	1
1203 Personnel Technician	1
*1203 Personnel Technician	1
1446 Secretary II	1
1426 Senior Clerk Typist	<u>1</u>
Total	16

Thus, the Airport's current ratio of personnel specialists to its authorized work force is one for every approximately 73 Airport employees. An additional three personnel-related positions would provide a ratio of one personnel position for every 50 to 67 Airport employees, based on the number of employees at the Airport increasing by 150 to 200 by 1998. Furthermore, the 150 to 200 additional employees that would be required to operate the new Master Plan facilities by 1998 would be phased in over the next approximately four years.

Based on the foregoing, we conclude that the Airport can continue to provide satisfactory personnel services to its employees in the near term with its existing resources and we recommend that the two Personnel Analyst positions and one Secretary position requested by the Airport for personnel functions be disapproved.

4. In addition to the reasons stated in Comment No. 3 above, as stated in the Attachment, the agreement between the Human Resources Department and the Airport is still in draft form. The Budget Analyst believes that a decision to decentralize personnel functions to the Airport should await the finalization of that agreement in order that a full and complete evaluation may be performed.

*Position assigned to Decentralized Examination/Classification Unit

5. Regarding the Airport's request for one classification 5263 Planner V at an annual salary at the top step of \$78,430, the Budget Analyst believes that the Airport's existing staff of four Transit Planners and the one new requested Transit Planner III position, at an annual salary at the top step of \$55,723, should be sufficient to absorb the Airport's additional workload. Therefore, while we recommend approval of the requested Transit Planner III position, we recommend disapproval of the Planner V position.

6. The proposed supplemental appropriation ordinance should be reduced by \$120,054 (\$107,924 in salaries and \$12,130 in mandatory fringe benefits) from \$277,031 to \$156,977 to reflect that the earliest possible starting date for these new positions is May 16, 1994, and not April 15, 1994 as had been requested. The required funding for the period May 16, 1994, through June 30, 1994, (3.4 biweekly pay periods), is as follows:

2	1242	Personnel Analyst	(2 x \$1,520 x 3.4 bwpp)	\$10,336
1	1370	Special Assistant XI	(1 x \$1,946 x 3.4 bwpp)	6,616
2	1374	Special Assistant XV	(2 x \$2,607 x 3.4 bwpp)	17,727
2	1446	Secretary II	(2 x \$1,185 x 3.4 bwpp)	8,058
1	1450	Executive Secretary I	(1 x \$1,291 x 3.4 bwpp)	4,389
1	1458	Legal Secretary I	(1 x \$1,388 x 3.4 bwpp)	4,719
2	1818	MIS Specialist II	(2 x \$1,565 x 3.4 bwpp)	10,642
1	1824	Principal Administrative Analyst	(1 x \$2,145 x 3.4 bwpp)	7,293
1	1842	Management Assistant	(1 x \$1,421 x 3.4 bwpp)	4,831
1	1864	Sr. Systems & Procedures Analyst	(1 x \$1,946 x 3.4 bwpp)	6,616
1	3544	Curator III	(1 x \$1,491 x 3.4 bwpp)	5,069
1	3547	Curator V	(1 x \$2,094 x 3.4 bwpp)	7,119
1	5202	Junior Civil Engineer	(1 x \$1,421 x 3.4 bwpp)	4,831
1	5263	Planner V	(1 x \$2,472 x 3.4 bwpp)	8,404
1	5289	Transit Planner III	(1 x \$1,756 x 3.4 bwpp)	5,970
1	5320	Illustrator & Art Designer	(1 x \$1,520 x 3.4 bwpp)	5,168
1	8151	Claims Investigator	(1 x \$1,909 x 3.4 bwpp)	6,490
2	9212	Airfield Safety Officer	(2 x \$1,550 x 3.4 bwpp)	10,540
1	9220	Airport Operations Supervisor	(1 x \$1,853 x 3.4 bwpp)	6,300
24		Subtotal - Permanent Salaries		\$141,118
		Subtotal - Mandatory Fringe Benefits		15,859
		Total - Personnel		\$156,977

7. According to Mr. John Martin, Deputy Director of the Airport for Business and Finance, the Airport's Master Plan is on a schedule independent of the budget process and the Airport needs to fill the 24 new positions as quickly as possible due to the beginning of the construction phase of the Airport Master Plan.

Recommendations: 1. Reduce the proposed supplemental appropriation ordinance (File 101-93-111) by \$120,054 (\$107,924 in salaries and \$12,130 in mandatory fringe benefits) from \$277,031 to \$156,977 to reflect that the starting date for the requested new 24 positions would be May 16, 1994, and not April 15, 1994.

2. In accordance with Comment Nos. 2 and 3 above, amend the proposed amendment to the Annual Salary Ordinance (File 102-93-33) to delete the following four requested new positions:

5263	Planner V (One position)
1242	Personnel Analyst (Two positions)
1446	Secretary II (One position)

3. Further reduce the proposed supplemental appropriation ordinance (File 101-93-111) by \$25,327 (\$22,769 in salaries and \$2,558 in mandatory fringe benefits) to \$131,650 to reflect the deletion of the four requested new positions itemized in Recommendation No. 2 above.

4. Therefore, the supplemental appropriation request should be reduced by a total of \$145,381, including \$130,693 in salaries and \$14,688 in mandatory fringe benefits, from \$277,031 to \$131,650, composed of \$118,349 in salaries and \$13,301 in mandatory fringe benefits.

5. While the justification submitted by the Airport appears reasonable for the remaining 20 requested positions, without conducting a detailed management audit of all of the Airport's 1,162 positions contained in the Airport's 1993-94 annual budget, the Budget Analyst considers approval of the 20 remaining requested new positions to be a policy matter for the Board of Supervisors.

Attachment: 4

City and County of San Francisco



Department of Human Resources

WENDELL L. PRYOR,
HUMAN RESOURCES DIRECTOR

MEMORANDUM

Date: April 21, 1994

To: Lou Turpen
Director of Airports

From: Wendell L. Pryor
Human Resources Director

SUBJECT: DECENTRALIZATION AND DELEGATION OF AUTHORITY

As a follow-up to our previous discussions and in conjunction with the 1994-95 Budget, I am planning to decentralize the examination and classification functions to the Airport during the first quarter of Fiscal Year 1994-95. We have a formal delegation agreement in draft form being reviewed by the City Attorney's Office. I would anticipate sharing the agreement with you and discussing the timetable within which the formal decentralization can occur. Should you have any further questions, please contact me at your convenience.

cc: Stan Jones
Geoff Rothman

Item 6 - File 101-93-109

Department: Department of Public Health - Community Health Services (DPH)

Item: Supplemental appropriations from the Health Care Management Information System (MIS) Reserve to implement a computer system for Medi-Cal Managed Care for Fiscal Year 1993-94. This supplemental appropriation is the subject of previous budgetary denial and therefore will require a two-thirds majority vote of the Board of Supervisors for approval.

Amount: \$ 2,202,704

Source of Funds: Unappropriated State Disproportionate Share Payments (SB855) to the San Francisco General Hospital (SFGH) which were reserved by the Board of Supervisors in December, 1993.

Description: 1. The DPH supplemental appropriation request is to begin implementation of a management information system (MIS) development plan to replace the current SFGH patient billing system and support implementation of managed care as required by the State of California Department of Health Services and anticipated Federal health care reform. Managed Care will require replacement of current *fee-for-service* patient billing practices with *capitated revenue* for provision of public health and hospital services to Medi-Cal eligible health care recipients receiving services from Community Health Services, SFGH, Laguna Honda Hospital and the DPH Division of Mental Health, Substance Abuse and Forensics. The DPH states that implementation of the system is necessary to preserve \$50 million annually in current patient care revenue and \$120 million annually in future capitated Medi-Cal payments. The initial effort that would be funded by this supplemental appropriation is to:

- Spend approximately \$1.2 million to replace the current SFGH Patient Billing system with a *remote computing option* system to be operated by the firm of SMS (Shared Medical Systems) to support current annual patient care Medi-Cal revenue of approximately \$50.0 million. This system would be acquired on a sole source basis, as recommended by the DPH MIS consultant (Coopers and Lybrand) and the City's Electronic Information Processing Steering Committee, to replace the current SFGH IBM mainframe computer which is described as obsolete.

- Spend approximately \$312,000 to provide additional terminals and printers for orders/results capability on treatment units.
- Spend \$683,000 to initiate a Managed Care Network supporting implementation of the local managed care initiative and approximately \$120.0 million annually in capitated revenue.

2, A summary budget for the proposed supplemental appropriation is described below. The attachment to this report provides a detailed breakdown of the proposed 1993-94 expenditures of \$2,202,704 as provided by the Department of Public Health.

Salaries and fringe benefits to hire staff to support customized screens, reports, and database design needed for Managed Care at SFGH.	\$15,451
<u>Shared Medical Systems/Remote Computing Option</u>	\$857,500
SMS/RCO. Shared Medical Systems/Remote Computing Option SMS/RCO, will transition the current, obsolete IBM computer system located at the DPH Data Center to a vendor-supported, shared environment in Malvern, PA. This transition will allow for the continued utilization of current software i.e., Patient Billing and the implementation of additional software needed for the competitive Managed Care environment.	
<u>Shared Medical Systems Technical Support Fee</u>	\$38,200
Additional vendor support needed to fully implement the billing software upgrade for new MediCare and MediCal regulations to be installed during the Remote Computing Option transition.	\$895,700
<u>SFGH/DPH Network Hardware.</u>	266,620
The hardware supporting the Remote Computing Option RCO will provide the linkage from the DPH Data Center in San Francisco to the SMS Data Center in Malvern, Pennsylvania.	
<u>DPH Managed Care Network Hardware</u>	\$710,453
Hardware necessary to integrate all current local computer systems throughout DPH.	
<u>SFGH Hardware Resource Scheduling.</u>	\$152,000
San Francisco General Hospital Resource Scheduling hardware will provide terminals and printers to all patient clinic registration sites which will be treatment referral sites in the Managed Care system.	
<u>SFGH Hardware Clinical Orders.</u>	\$162,480
San Francisco General Hospital Clinical Orders hardware will provide terminals and printers to all hospital nursing units for the on-line communication of treatment orders to clinical ancillary departments i.e., Laboratory, Pharmacy, Radiology and the display of clinical profiles and test results.	\$1,291,553
TOTAL	\$2,202,704

3. The total cost of the MIS project for the planned implementation period of 1993-94 through 1998-99 is anticipated to be over \$20.6 million more than existing DPH-MIS spending as shown in the table below.

Comparison of Existing DPH-MIS Spending Levels With Planned Expenditures to Support System Improvements and Implementation of Managed Care

<u>Fiscal Year</u>	<u>Ongoing Base Budget</u>	<u>Revised Base Budget</u>	<u>Difference</u>	<u>One Time Funding Required</u>	<u>Total Projected Increased MIS Expenditures</u>
1993-94	\$13,000,000	\$13,000,000		\$2,200,000	\$2,200,000
1994-95	13,300,000	15,300,000	\$2,000,000	2,590,875	4,590,875
1995-96	13,600,000	16,400,000	2,800,000	872,529	3,672,529
1996-97	13,900,000	16,700,000	2,800,000	950,000	3,750,000
1997-98	14,200,000	16,700,000	2,500,000	800,000	3,300,000
1998-99	<u>14,500,000</u>	<u>16,800,000</u>	<u>2,300,000</u>	<u>800,000</u>	<u>3,100,000</u>
Total	\$82,500,000	\$94,900,000	\$12,400,000	\$8,213,404	\$20,613,404

According to DPH, future system enhancements and increased spending of both a one time and ongoing nature are required to:

- a) Provide financial information for registration, eligibility and contract management as well as service utilization, case management and decision support.
- b) Create a database to facilitate clinician's treatment decision making.
- c) Enhance the ability to compare historical data on patients and access patient information, either inpatient or ambulatory, at any location.
- d) Customize patient information presentation for physician use and flexibility to manage treatment service requests for laboratory and pharmacy changes and control costs.
- e) Integrate new technology relative to radiological imaging and coordination of text, graphics and diagnostic output.

Comments:

1. The requested amount of \$15,451 for salaries and fringe benefits is not necessary to fund increased staffing for this project in the 1993-94 Fiscal Year. The Controller's eight-month report on the status of 1993-94 expenditures and revenues identified a surplus in the DPH - Community

BOARD OF SUPERVISORS
BUDGET ANALYST

Health Services expenditure budget of approximately \$1.1 million. Therefore, the Budget Analyst is recommending that this \$15,451 be reduced from the proposed supplemental appropriation.

2. The Department of Public Health is now in the process of negotiating with SMS for provision of the Shared Medical Systems/Remote Computing Option and Technical Support services amounting to \$895,700 of this \$2,202,704 supplemental appropriation. Because the negotiations have not begun, the exact cost, hours of service and hourly rates, software fees and licenses for these services is unknown at this time. The results of this contract will also impact future costs for operation of the SMS system at SFGH. The Budget Analyst recommends that the \$895,700 request for professional services should be reserved by the Budget Committee pending the outcome of the contract negotiations. SMS is not an MBE or WBE firm.

3. The use of SMS as a sole source vendor for these services was recommended after a study by Coopers and Lybrand of DPH MIS data processing needs to implement managed care and a review of systems available from other vendors. No competitive selection has been conducted for these services. The proposal to replace the current SFGH patient billing system and support implementation of managed care without competitive bidding is a policy matter for the Board of Supervisors.

4. Certain significant policy decisions must be made by the Board of Supervisors before managed care is implemented in the City and County. For example, legislation is now pending before the Board of Supervisors that would approve the governance structure for the San Francisco Medi-Cal Managed Care Local initiative and support required State legislation (AB 2755) authorizing the City to create a separate legal entity (the San Francisco Local Initiative Authority) to establish the local initiative component of the State's strategic plan for Medi-Cal managed care (File 12-94-20, calendared before the Health, Public Safety and Environment Committee for April 26, 1994). Prior to finalization of this "Local Initiative", the Board of Supervisors will need to approve additional legislation, such as appropriations for start up costs. Therefore, the Board of Supervisors may wish, as a policy matter, to reserve all remaining proposed expenditures for implementation of the MIS component of managed care until other necessary policy decisions are made final.

According to the DPH - Director of Management Information Systems, the remaining amounts requested for materials and supplies and electronic data processing equipment (which total \$1,291,553 of this proposed supplemental appropriation) is critical to the project as the necessary management information infrastructure must be in place prior to conversion to the SMS Remote Computing Option system that is now being negotiated.

5. The proposed MIS development project has been reviewed by the Electronic Information Processing Steering Committee (EIPSC). EIPSC voted to approve the proposed project on February 10, 1994.

6. As previously noted, the DPH states that implementation of this system, at an estimated additional cost of \$20.6 million over six fiscal years, is necessary to preserve \$50 million annually in current patient care revenue and \$120 million annually in future capitated Medi-Cal payments.

- Recommendation:**
1. Reduce the proposed supplemental appropriation by \$15,451 (\$13,075 in permanent salaries and \$2,376 in fringe benefits).
 2. The decision to proceed with the contracting for professional services with Shared Medical Systems without using a competitive selection process is a policy matter for the Board of Supervisors.
 3. Reserve \$895,700 for professional services pending the completion of contract negotiations for such services and the inclusion of cost details, hours of service and hourly rates, software fees and licenses.
 4. Approval of \$1,291,553 in equipment acquisition and materials and supplies prior to approval of other important policy decisions for implementation of managed care, as identified in Comment number 4 above, is a policy matter for the Board of Supervisors.

DPH MIS -Managed Care Supplemental Appropriation

<p>ITEM A Reduction of salary savings and fringe benefits to hire staff to support customized screens, reports and database design needed for Managed Care at SFGH</p>	\$15,451
<p>ITEM B:Shared Medical Systems/Remote Computing Option SMS/RCO.Shared Medical Systems/Remote Computing Option SMS/RCO, will transition the current, IBM computer system located at the DPH Data Center to a vendor-supported, shared environment in Malvern, PA. This transition will allow for the continued utilization of current software i.e., Patient Billing and the implementation of additional software needed for the competitive Managed Care environment.</p>	
<p>•<u>Network Fees</u></p>	\$110,000
<p>Establishment of the trans-continental data link between SMS Malvern, PA. and DPH San Francisco. Costs are associated with data communication engineering design for fault tolerant, sub-second connectivity.</p>	
<p>•<u>Software Fees</u></p>	\$230,000
<p>Installation of current local software on SMS computer hardware located in Malvern, PA. Also, includes a software upgrade for new MediCare and MediCal billing regulations.</p>	
<p>•<u>OpenLink Integration</u></p>	\$48,500
<p>Acquisition of software needed to integrate SMS system modules with DPH software applications. This "Interface Engine" will link all DPH registration and clinical i.e., Laboratory, Pharmacy systems with each other as well as those systems residing at the SMS Data Center.</p>	
<p>•<u>SFGH Software Modifications TSO</u></p>	\$400,000
<p>Re-programming of customized software produced uniquely for SFGH in order to run these programs on computers located at the SMS Data Center.</p>	
<p>•<u>SMS Technical Support Fees</u></p>	\$69,000
<p>Additional vendor technical support required to insure a flawless transition to the Remote Computing Option in order to insure no interruption in patient accounting system processing.</p>	
Subtotal - Item B	\$857,500
<p>ITEM C:Shared Medical Systems Technical Support Fees Additional vendor support needed to fully implement the billing software upgrade for new MediCare and MediCal regulations to be installed during the Remote Computing Option transition.</p>	\$38,200
<p>ITEM D:SFGH/DPH Network Hardware. The hardware supporting the Remote Computing Option RCO will provide the linkage from the DPH Data Center in San Francisco to the SMS Data Center in Malvern, Pennsylvania.</p>	
<p>•<u>Site Preparation</u></p>	\$25,000
<p>Electrical installation of additional power, conduits and wiring needed for the physical network connection.</p>	
<p>•<u>Data Distribution Routers</u></p>	\$60,000
<p>Hardware devices which provide access to the RCO data network and link it to the local DPH network.</p>	
<p>•<u>Communication T-1 lines</u></p>	\$26,000
<p>Acquisition of high speed Telemetry-One data lines for the transmission of data between San Francisco and Malvern, Penn. on a sub-second basis.</p>	

• <u>Network Management Tools</u>	\$21,000
Software tools to monitor the status of the network for fault tolerance, preventive maintenance, troubleshooting, conjoint management of the data link with SMS, network security. Installed locally at DPH.	
• <u>IBM 3745 Data Communication Processing</u>	\$117,620
Functionality to communicate with all external IBM-type computer systems for SNA protocol, Remote Job Entry RJE. Includes router cards and software.	
• <u>Network Support Training</u>	\$17,000
Re-training of existing computer operator staff to implement network management tools.	

Subtotal Item D

\$266,620

ITEM E:DPH Managed Care Network Hardware.Hardware necessary to integrate all current local computer systems throughout DPH.

• <u>Site Preparation</u>	\$11,000
Electrical wiring and conduits needed to implement local routers and uninterruptable power supply UPS.	
• <u>Data Distribution Budget</u>	\$27,000
Acquisition of local routers needed to transmit data between computer systems located in San Francisco.	
• <u>Digital VAX Cluster Network</u>	\$42,877
Software needed to link existing local computers to produce system redundancy and fault tolerance. Also includes physical wiring connectors.	
• <u>Open-Link Integration processor</u>	\$153,600
Computer necessary to operate the OPENLINK software which links all applications i.e., Laboratory, Pharmacy to the central system.	
• <u>VAX 6510-7630 Upgrade CPHS</u>	\$202,000
Additional computer processing power to allow local DEC-VAX based users access to OPENLINK.	
• <u>DEC-VAX Cluster Interface</u>	\$68,000
Hardware connections to attach each local computer to the others in order to produce physical redundancy.	
• <u>DEC-VAX Cluster Coupler</u>	\$10,963
Computer processor which functions as a "patch panel" to physically connect all other external computers.	
• <u>Material and Supplies</u>	\$27,253
Consumable media such as magnetic tapes, disks, paper.	
• <u>Cables</u>	\$6,109
Physical wiring necessary to connect computer devices.	
• <u>Disk Controllers</u>	\$31,019
Hardware which connects disk drives to the computer.	
• <u>Cabinet 6 GB</u>	\$23,429
Chassis in which the disk drives are installed to attach to the disk controllers.	
• <u>Disks 27 GB</u>	\$81,000
Actual storage media needed to retain data locally for clustered computers.	
• <u>Cables</u>	\$5,203
Wiring devices needed to connect disk drives and controllers.	
• <u>DEC Cluster Network Training</u>	\$21,000
Training for software tools needed to manage and control the integrated, fault tolerant, redundant computer configuration for load balancing, security, and availability.	

Subtotal Item E

\$710,453

ITEM F:SFGH Hardware Resource Scheduling.San Francisco General Hospital Resource Scheduling hardware will provide terminals and printers to all patient clinic registration sites which will be treatment referral sites in the Managed Care system.

• <u>Workstations</u> (25)	\$37,750
Personal computers to access the installed system on the network.	
• <u>Printers</u> (25)	\$49,308
Print devices for each personal computer.	
• <u>Controllers</u> (2)	\$17,599
Hardware devices needed to connect workstations to the physical network ETHERNET.	
• <u>Cable Connectors</u>	<u>\$47,343</u>
Wiring devices to attach all hardware components to the network.	

Subtotal Item F

\$152,000

ITEM G:SFGH Hardware Clinical Orders.San Francisco General Hospital Clinical Orders hardware will provide terminals and printers to all hospital nursing units for the on-line communication of treatment orders to clinical ancillary departments i.e., Laboratory, Pharmacy, Radiology and the display of clinical profiles and test results.

• <u>Workstations</u> (73)	\$94,664
Personal computers to be placed on all clinical care units.	
• <u>Printers</u> (21)	\$41,418
Shared printing devices on clinical care units.	
• <u>Controllers</u> (3)	<u>\$26,398</u>
Hardware devices needed to connect workstations to the physical network ETHERNET.	

Subtotal Item G

\$162,480

Grand Total

\$2,202,704

Memo to Budget Committee
 April 27, 1994 Budget Committee Meeting

Item 7 - File 101-93-112

Department: Board of Supervisors

Item: Supplemental Appropriation Ordinance appropriating \$43,260 for the Assessment Appeals Board's budget for fiscal year 1993-94.

Amount: \$43,260

Source of Funds: \$20,781-Rescission of Mandatory Fringe Benefits Appropriation
 13,215-Assessment Appeals Fees
9,264-General Fund Reserve
 \$43,260- Total

Description: The requested supplemental appropriation in the amount of \$43,260 would be used by the Assessment Appeals Board for the following budget deficiencies:

Fees and Other Compensation	\$22,200
Permanent Salaries	12,029
Temporary Salaries	<u>9,031</u>
Total Request	\$43,260

The following analysis summarizes the projected budget deficiencies:

	<u>Amount Budgeted</u>	<u>Amount Expended 7/1/93 to 4/8/94</u>	<u>Projected Expenditure 4/9/ 94 to 6/30/94</u>	<u>Total Projected Expenditure</u>	<u>Total Projected Deficit</u>
Fees & Other Compensation	\$21,000	\$18,900	\$24,300	\$43,200	\$22,200
Permanent Salaries	2,256,122	1,752,897	515,254	2,268,151	12,029
Temporary Salaries	<u>18,808</u>	<u>16,659</u>	<u>11,180</u>	<u>27,839</u>	<u>9,031</u>
Total	\$2,295,930	\$1,788,456	\$550,734	\$2,339,190	\$43,260

BOARD OF SUPERVISORS
BUDGET ANALYST

Fees and Other Compensation-The request of \$22,200 would provide funding for the Assessment Appeals Board to conduct meetings for an additional 37 days prior to June 30, 1994 as follows:

37 days X 3 members X \$200* per day = \$22,200

*Compensation to Members of the Assessment Appeals Board was increased from \$100 to \$200 effective March 28, 1994.

Permanent Salaries-The increase of \$12,029 would provide funds to return the Equalization Clerk to a 12-month position instead of eight months budgeted in recent years.

Temporary Salaries-The increase of \$9,031 would restore funds to the Board of Supervisors regular Temporary Salaries account. Such funds were expended for three clerical employees who worked for the Assessment Appeals Board from October 12 through November 23, 1993.

Comments:

1. According to the Clerk of the Board, the number of assessment appeals filed in 1993, which totaled 6,568, was more than seven times the average number of 896 filed for the previous two years.
2. The Board of Supervisors previously approved a motion (File 69-94-2) directing the Clerk of the Board to submit to the Mayor a request for a supplemental appropriation in the amount of \$101,663. The Mayor's Office approved the supplemental appropriation request in the amount of \$43,260 based on their estimate of the amount of funding which would actually be expended prior to the end of fiscal year 1993-94. The Budget Analyst concurs with the analysis of the Mayor's Office.
3. Increased revenues from filing fees, hearing fees and fees for preparation of findings of fact are now estimated to be \$13,215 more than the original budget estimate for fiscal year 1993-94 and have been certified by the Controller to provide partial funding for this supplemental appropriation request.
4. The additional 37 days of hearings will allow the Assessment Appeals Board to reduce the backlog of assessment appeals which have been filed.

Recommendation: Based on the Board of Supervisors previous motion, approve the proposed ordinance.

Item 8 - File 114-94-3

- Department:** Department of Public Works
- Item:** Draft ordinance amending Sections 1509 and 1511 of the San Francisco Municipal Code (Building Code) to revise the criteria for the retrofitting of unreinforced masonry-bearing wall buildings greater than six stories in height.
- Description:** The Board of Supervisors approved Ordinance 225-92 in 1992 which amended the City's Building Code to include minimum standards for retrofitting unreinforced masonry-bearing wall buildings (UMBs). These minimum standards specified three different procedures that could be used for retrofitting UMBs--the General Procedure, the Special Procedure and the Bolts-Plus Procedure.
- According to Mr. Dot Yee, Acting Superintendent for the Bureau of Building Inspection, the General Procedure is the safest, but most expensive procedure for upgrading UMBs. Mr. Yee reports that the other two procedures are less expensive and, as such, result in upgrades that are not as strong as upgrades performed under the General Procedure. Retrofitting of UMBs using the less expensive procedures is only allowed under certain conditions, one of which is that the UMB be no more than six stories in height. The proposed ordinance would eliminate this condition, thereby permitting the retrofitting of UMBs using either the Special or Bolts-Plus Procedures even if the UMB exceeds six stories in height.
- Comment:** The Author's Office has advised the Budget Analyst that a continuance of this item is requested.
- Recommendation:** Continue the proposed ordinance, as requested by the Author's Office.

Item 9 - File 38-94-1

- Department:** National Service Blue Ribbon Commission (NSBRC), an advisory body to the Board of Supervisors
- Item:** Resolution accepting a cash gift in the amount of \$10,000 from Mr. David Jenkins for use by the National Service Blue Ribbon Commission
- Amount:** \$10,000 cash gift
- Source of Gift:** Mr. David Jenkins, a local benefactor
- Description:** The creation of the National Service Blue Ribbon Commission (NSBRC) was authorized by the Board of Supervisors in 1993 (Resolution 300-93) to serve as an advisory body to the Board pertaining to the implementation of the National Service Program, a Federal Government program. The National Service Program, which was signed into law in September, 1993 (called The National and Community Service Trust Act), includes the creation of a voluntary service corps, to be known as "AmeriCorps," consisting primarily of young people, 16 years of age and older, who will provide service to their local communities in the areas of education, human services, environment and public safety. In exchange for this service, the participants will receive an educational award in the amount of \$4,725 per year to be used to pay for college tuition or job training or to repay college student loans.
- The authorizing legislation specified that the Board of Supervisors would provide in-kind professional and administrative staff and services to the NSBRC and that the Mayor and Chief Administrative Officer were urged to do the same. However, the NSBRC was also authorized to seek funds from public and private sources to carry out its functions and as such, the NSBRC is requesting that the gift from Mr. Jenkins be accepted.
- Comments:** 1. This proposed resolution states that the \$10,000 cash gift from Mr. Jenkins cannot be expended by the National Service Blue Ribbon Commission (NSBRC) until the Board of Supervisors has approved the NSBRC's budget. Mr. Joe Van Ness, Director of the NSBRC, reports that the NSBRC is in the process of developing a budget for FY1994-95 and expects that it will be completed within the next few months, at which time the NSBRC will present the budget to the Board of Supervisors for approval. As such, Mr. Van Ness advises that the NSBRC has not yet determined the specific use of

BOARD OF SUPERVISORS
BUDGET ANALYST

Memo to Budget Committee
April 27, 1994

the proposed \$10,000 cash gift. However, Mr. Van Ness reports that the NSBRC's total annual budget is estimated to be between \$50,000 and \$100,000.

2. As required by the authorizing legislation for the NSBRC, none of the Commission members are compensated or reimbursed for any expenses which they incur.

Recommendation: Approve the proposed resolution.

Item 10 - File 127-94-2

Item: Ordinance amending Part III of the San Francisco Municipal Code by amending Section 802A to make technical changes and to extend the Temporary Stadium Admission Tax and amending Section 804 to change the deadlines for remitting a portion of the Permanent Stadium Operator Admission Tax to the City.

Description: A Temporary Stadium Admission Surtax was adopted in 1991 to finance high school and middle school athletics for a one year period (July 1, 1991 through June 30, 1992) in the San Francisco Unified School District (School District). This Temporary Admission Tax included a surtax of \$0.25 on all tickets priced at less than \$27, and a surtax of \$0.75 on all tickets priced at \$27 or more. Essentially, this resulted in a \$0.25 surtax on all Giants tickets and a \$0.75 surtax on all 49er tickets.

It was initially intended that the School District would find other funding sources to continue its sports programs at the conclusion of the one year period. However, the need for additional funds to finance the School District's athletic programs continued and the passage of Proposition J, the Children's Amendment, which used FY 1991-92 as the baseline for determining future funding allocations, together resulted in continued funding for the School District's middle and high school athletics. As a result, the Temporary Admission Surtax was extended through the 1993 baseball and football seasons.

The proposed ordinance would extend the Temporary Admission Surtax, at the same rates, through the 1994 and 1995 baseball and football seasons. Both the existing and proposed legislation require that the Temporary Admission Surtax revenues be remitted to the City on a monthly basis.

In addition to the Temporary Admission Surtax, the Board of Supervisors approved a \$1.50 Stadium Operator Admission Tax on all tickets sold at Candlestick Park priced at \$25.02 or more in April, 1993 (File 127-93-1). At that time, this permanent Tax increased from \$0.50 to \$1.50, and the threshold for ticket prices qualifying for the Tax increased from \$12.99 to \$25.01, in exchange for additional food concession revenues for the 49ers. Similar to the Temporary Admission Surtax, the Stadium Operator Admission Tax is required to be remitted to the City on a monthly basis.

Under the proposed ordinance, the \$0.50 portion of the permanent \$1.50 Stadium Operator Admission Tax would

continue to be paid to the City on a monthly basis. However, the additional \$1.00 of the \$1.50 Tax per ticket would be paid either monthly or annually, at the option of the club. If paid annually, the payment would be due to the City on or before February 1 of each year for the sale of admission tickets for games played during the previous 12 months.

Comments:

1. The Temporary Stadium Admission Surtax is not a special tax and all revenues generated by this Surtax are deposited into the City's General Fund. However, it is anticipated that, if the proposed legislation is approved, which would extend this Surtax for two additional years, the Mayor and the Board of Supervisors would then appropriate these funds for use by the San Francisco Unified School District to carry out its sports programs for the middle and high schools.

2. According to Mr. John Madden of the Controller's Office, the City has contributed \$1,056,000 to the School District in each of the past three years. However, Mr. Madden notes that the City has not always generated the \$1,056,000 of revenues from the Temporary Stadium Admission Surtax (\$0.25 surtax on Giants' tickets and \$0.75 surtax on 49ers tickets). In recent years, additional revenue is being generated due to increased attendance at Giants games. Ms. Anne Jenkins of the Controller's Office provides the following information on the Temporary Stadium Admission Surtax actual revenues received and transfers to the School District:

	<u>FY 1991-92</u>	<u>FY 1992-93</u>	<u>FY 1993-94</u>
Actual Revenues Received by City	\$697,293	\$1,114,643	\$1,200,000*
Transfer to School District	<u>1,056,000</u>	<u>1,056,000</u>	<u>1,056,000</u>
Gain (Loss) to City	(\$358,707)	\$58,643	\$144,000*

* Based on the Controller's February, 1994 projections for Fiscal Year 1993-94.

Ms. Jenkins reports that any shortfall of Temporary Stadium Admission Surtax revenues is made up with General Fund revenues.

3. It should be noted that the Temporary Stadium Admission Surtax expired at the end of the 1993 baseball and football seasons. Therefore, the proposed ordinance should be amended to be retroactive to cover the entire 1994 baseball and football seasons.

4. According to Mr. Robert Golton of the San Francisco Unified School District, the School District's middle and high school athletic programs are estimated to cost a total of approximately \$1,100,000 in FY 1993-94. This annual cost represents approximately \$44,000 more than the City contributed to the School District in FY 1993-94 (\$1,100,000 less \$1,056,000).

5. The proposed ordinance would also provide an option to the teams for paying \$1.00 of the \$1.50 Stadium Operator Admission Tax on a monthly or annual basis. According to Mr. Jim Lazarus of the Port, a \$1.00 surcharge on all 49er tickets, which accrued to the City, expired on December 31, 1992. This \$1.00 surcharge was paid to the City by the 49ers on an annual basis, by February 1, for tickets sold during the prior 12 month period. Mr. Lazarus reports that when the Stadium Operator Admission Tax was increased from \$0.50 to \$1.50 in 1993, in exchange for food concession revenues to the 49ers, the timing of payments was not amended. Therefore, all payments by the 49ers to the City were to be made monthly under the new ordinance. This proposed ordinance would amend this legislation to permit the 49ers the option to pay \$1.00 of the \$1.50 Stadium Operator Admission Tax on an annual basis, as they were previously permitted to do when the \$1.00 was considered a separate surcharge. However, under the proposed ordinance, the \$0.50 balance of the Stadium Operator Admission Tax and the Temporary Stadium Admission Surtax would continue to be due to the City on a monthly basis.

6. Mr. Richard Sullivan of the Tax Collector's Office reports that the City received \$421,377 in revenues from the Stadium Operator Admission Tax for the 1992 football season. According to Mr. Sullivan, the City received \$1,092,223 of Stadium Operator Admission Tax for the 1993 football season. Mr. Sullivan reports that the 159 percent increase in these tax revenues between the 1992 and 1993 football season resulted from the increase in the tax from \$0.50 to \$1.50 in 1993. Mr. Phil Arnold of the Recreation and Park Department reports that the revenues from the Stadium Operator Admission Tax are deposited into the Recreation and Park Special Revenue Fund, which is used to fund Candlestick Park's operations.

7. According to Mr. Sullivan, there are approximately 60,000 49er season ticket holders, which are subject to the \$1.50 Stadium Operator Admission Tax. Mr. Sullivan reports that all of the 49er tickets are sold on a seasonal basis, in June of each year, such that, if the proposed ordinance is not approved, the City would receive its \$1.50 per ticket revenues during the

BOARD OF SUPERVISORS
BUDGET ANALYST

month of July each year. Under the proposed ordinance, if the 49ers opt to delay payment to the City until February 1 of each year, based on ten home games per season, a \$1.00 payment which could be deferred for approximately six months and the current investment earnings rates by the Treasurer's Office, Mr. Sullivan estimates that the City would lose approximately \$15,000 of annual interest income. Mr. Sullivan notes that the Giants have not been subject to this \$1.50 Stadium Operator Admission Tax, because all of their tickets were priced under the \$25.02 threshold ticket price level.

8. The Budget Analyst notes that there is an inconsistency between the threshold ticket price levels for the Temporary Stadium Admission Surtax (\$26.99) and the permanent Stadium Operator Admission Tax (\$25.01). Under the Temporary Stadium Admission Surtax, tickets priced at \$27 or more (including the \$1.50 Stadium Operator Admission Tax), are required to pay a \$0.75 surcharge and tickets priced at less than \$27 (including the \$1.50 Stadium Operator Admission Tax), are required to pay a \$0.25 surcharge. In contrast, tickets priced at \$25.02 or more are subject to the \$1.50 Tax while tickets priced at \$25.01 or less are exempt from the \$1.50 Stadium Operator Admission Tax.

9. Furthermore, the Budget Analyst notes that Giants ticket prices have increased for the 1994 baseball season, thereby subjecting some of these tickets to the higher priced \$0.75 Temporary Stadium Admission Tax and the \$1.50 permanent Stadium Operator Admission Tax. According to Mr. Jack Bair of the Giants, approximately 280 seats per game are being sold at \$40 per ticket. Based on approximately 80 home games, the Budget Analyst estimates that the City will receive approximately \$33,600 of additional revenue from the \$1.50 Stadium Operator Admission Tax (280 seats x 80 games x \$1.50). In addition, the Budget Analyst estimates that the City will receive an additional \$11,200 of additional revenue from the \$0.75 Temporary Stadium Admission Surtax (280 seats x 80 games x \$0.50 (\$0.75 new tax rate less \$0.25 old tax rate)). Together, this should result in approximately \$44,800 of additional revenue for the City.

Recommendation: Amend the proposed ordinance to retroactively impose the Temporary Stadium Admission Tax for the entire 1994 season.

Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Item 11 - File 244-94-3.1

Item: Resolution supporting the use and sale of local, public electrical power and urging the Mayor to direct the General Manager of the Public Utilities Commission to aggressively bid for the National Park Service contract for the generation of electricity at the Presidio.

Description: 1. The proposed resolution urges the Mayor to direct the General Manager of the Public Utilities Commission (PUC) to bid for the National Park Service contract for provision of electricity at the proposed Presidio National Park. A similar resolution (File 244-94-3) was previously adopted by the Board of Supervisors. That resolution was subsequently vetoed by the Mayor and returned because of a question concerning the California Brown Act and San Francisco's Sunshine Ordinance.

2. The Presidio of San Francisco is located at the tip of the San Francisco Peninsula overlooking the Golden Gate. The Presidio has been under the control of the U.S. Army since 1776. The Army, in accordance with the Federal Base Closure and Realignment Act of 1988, must transfer control of most of the Presidio to the National Park Service's Golden Gate National Recreation Area (GGNRA). According to Ms. Alison Kendall of the Department of City Planning, the Presidio grounds are anticipated to be transferred to the GGNRA by October, 1994.

3. According to Mr. Lawrence Klein of the PUC's Hetch Hetchy, the Navy currently operates the electrical distribution system at the Presidio, using electricity purchased from Pacific Gas and Electric (PG&E). Mr. Klein notes that the electrical distribution system was built to an older standard, and will need to be upgraded at some point in the future.

4. Mr. Klein states that the PUC adopted a resolution on March 8, 1994, that recommends that any proposal by Hetch Hetchy to provide electricity to the National Park Service at the Presidio should be "revenue neutral", in that the City's General Fund and the Hetch Hetchy Project will neither benefit or be harmed, financially, by providing such services to the Presidio. The basis for this PUC policy is described in points 5, 6 and 7 below.

5. Mr. Anson Moran of the PUC advises that Hetch Hetchy should provide electricity to the National Park Service in accordance with the PUC's adopted revenue neutral policy in order to protect the interests of the City related to the 1912 Raker Act, which gave the City the right to build the O'Shannessey Dam and related Hetch Hetchy facilities in Yosemite.

6. Mr. Moran states that Hetch Hetchy's rights as established under the Raker Act are under continuous scrutiny in Congress. Mr. Moran advises that Hetch Hetchy has a moral obligation not to profit from the provision of services to a national park located within the City and County of San Francisco since Hetch Hetchy's benefits are derived from facilities located within another national park (i.e. the Hetch Hetchy Project, located partially within the Yosemite National Park). To profit from such an endeavor, according to Mr. Moran, would endanger the City's rights under the Raker Act.

7. Mr. Moran notes that Hetch Hetchy provides electricity to City departments at cost. Each year the value of this electricity on the open market is approximately \$25 million more than Hetch Hetchy charges the City. Mr. Moran notes that another \$25 million annually, on average, goes into the City's General Fund through an equity transfer each year from Hetch Hetchy. Mr. Moran states that in return, Hetch Hetchy pays the Federal Government \$1,030,000 annually including approximately \$1.0 million for watershed protection and trail maintenance within Yosemite National Park.

8. Mr. Klein states that the National Park Service recently realized that it had violated its own bidding process by not properly advertising for bids to provide electricity to the proposed Presidio National Park. According to Mr. Klein, the National Park Service is now initiating the appropriate bidding process. Mr. Klein states that the bids will be due on June 22, 1994.

9. PUC staff are in the process of preparing a bid to the National Park Service to provide electricity which will conform with the adopted PUC policy. PUC staff are developing a proposal for the renovation, operation and maintenance of the existing electrical distribution system for the Presidio. Renovation of the system will require bringing the present system up to standard. Mr. Klein notes that Hetch Hetchy is developing staffing plans and estimates of take-over and start-up costs.

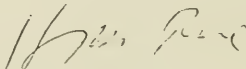
10. Due to current contractual commitments for the sale of Hetch Hetchy hydroelectric power, Mr. Klein reports that a limited amount of Hetch Hetchy "excess power" will be available for sale to the Presidio under a National Park Service contract. Such excess power is now sold on the open market at competitive rates. Most of the electricity supplied to the Presidio, if Hetch Hetchy succeeds in obtaining the contract, will be from power purchased wholesale, from PG&E or some other source, depending on availability and market prices, for resale to the Presidio at rates that would cover the City's cost. Based on the PUC's policy to submit a bid that is "revenue neutral" to the City, it is the intent of Hetch Hetchy, if their proposal is successful, to provide excess Hetch Hetchy power and purchased power to the Presidio in such a manner as to neither harm nor benefit

benefit the General Fund financially. Net revenue from the sale of Hetch Hetchy's excess power would therefore be equivalent to net revenue that would otherwise be received from the sale of such power on the open market to Hetch Hetchy's other customers.

11. If the Hetch Hetchy bid is accepted by the National Park Service, the contract between the City and the National Park Service will require approval by the Public Utilities Commission and the Board of Supervisors.

- Comments:**
1. Based on long standing City Attorney legal opinions, the Hetch Hetchy Project could not make significant quantities of Hetch Hetchy generated hydroelectric power available to the Presidio due to the City's existing contractual commitments to the Modesto and Turlock Irrigation Districts. In order for Hetch Hetchy and the City to profit from the sale of available excess Hetch Hetchy hydroelectric power and purchased power from PG&E or other sources, Hetch Hetchy would have to sell such power to the Presidio at a rate greater than Hetch Hetchy now receives on the open market, but less than amounts that would be charged by PG&E since Hetch Hetchy would most likely not be awarded the National Park Service contract if its bid were to offer electric power at rates in excess of PG&E's bid.
 2. For the reasons described in points 5, 6 and 7 under Description (above) the PUC has adopted a policy instructing Hetch Hetchy to prepare a revenue neutral bid for provision of such services to the National Park Service.

Recommendation: Approval of this proposed resolution is a policy matter for the Board of Supervisors.



Harvey M. Rose

cc: Supervisor Hsieh
President Alioto
Supervisor Bierman
Supervisor Conroy
Supervisor Hallinan
Supervisor Kaufman
Supervisor Kennedy
Supervisor Leal
Supervisor Maher
Supervisor Migden

Supervisor Shelley
Clerk of the Board
Chief Administrative Officer
Controller
Teresa Serata
Robert Oakes
Ted Lakey

BOARD OF SUPERVISORS
BUDGET ANALYST

